Supreme Sporting Business Plan

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Overview of Business Plan

Supreme Sporting Business Plan is a business entity that focuses on promoting and sponsoring different countries. We focus on establishing a football team that will go on to be one of the best teams in the top-flight European league. We chose to develop the team because our location is a friendly state for playing soccer.

This organization was first founded and registered in 2015 by Kenneth A., who has become the manager of the organization. The organization has active management with one manager, three directors, and two financial officers. Supreme Sports Ltd is expected to be the leader in sponsoring teams, and we believe that the organization will do much to ensure that most of the best teams are under it for business development and success. The organization will buy players and their sporting kits and all the training equipment for the team (Bradley et al., 2016). We focus on taking football management to the next level

Marketing Promotion

To ensure that the organization is fully known, we shall use marketing tools such as advertisements, technology, and even online promotions. Different products produced by the team are very significant when it comes to generating revenue. One of the things is the club might decide to sell the playing kits such as the jerseys to the team's fans. This will be done through advertising the available jerseys. Gym services can also be advertised so that anyone who is willing to do trials can pay and enjoy the facilities. This will be additional revenue. Advertising will also make the organization to be well-known (Carling et al., 2015). Online promotion tools such as website making will also be added to revenue generation efforts. The team will also appoint someone to work on some of their social media websites where client inquiries about any service can be addressed.

Tax and Legal Issues

One of the taxation issues that have arisen for most of the club owners is the issue of corporate tax and image right taxation. Most of the management of football sporting teams will have to incur matters concerning the payment of corporate fees arising from trading activities. Corporate taxes usually consider everything part of just the payments for having the membership (Cavico et al., 2014). If the company or organization can register a turnover of more than 100,000 euros, they should express themselves for the payment of Value Added Tax. However, there are exemptions from this tax, which is usually based on the nature of physical education. Clubs are also faced with legal issues which include the contracts given to players; the training compensations and legal matters are circulating when a buy-out clause in settlement of a player can trigger his transfer and others relating to the agreement of those footballers who are young but in demand. There are also solidarity payment and training compensation issues for the training offered to the various players (Dimitropoulos et al., 2016)

Financial Risks

There are some risks related to running a football club are usually associated with the company. One of the dangers is the risk of growing bankruptcy. In most cases, factors such as constant losses can lead to the club's bankruptcy. This means they will even lack the finances to conduct most of the clubs' activities, such as transporting the players to a pitch for any scheduled competitive game. The other risk is a player injury. During any game, the player might get serious injuries that may prove to be expensive for the organization to cater to in full quantity and in an efficient manner. Injuries will affect the team's performance and thus impact the group's financial position to be low (Edelman, 2009). The other risk is that of overspending. Sometimes, the football team might spend more money than the one they make, especially when buying new and high-profile players.

				Income statement			
			Supreme Sports Ltd				
				from 2012-2017			
Revenue	2012	2013	2014	2015	2016	2017	
Gros sales	$ 300.00	$ 320.00	$ 310.00	$ 200.00	$ 250.00	$ 150.00	
(Less sales return)	210	220	240	160	260	100	
Net sales	$ 90.00	$ 100.00	$ 70.00	$ 40.00	$ (10.00)	$ 50.00	
Cost of sales							
Opening stock	$ 200.00	$ 250.00	$ 300.00	$ 310.00	$ 200.00	$ 100.00	
plus the cost of goods available for sale	50	100	100	120	150	50	
Total Goods sold	$ 250.00	$ 350.00	$ 200.00	$ 190.00	$ 200.00	$ 50.00	

Less closing stock	100	120	100	140	170	40	
Cost of goods sold	$ 150.00	$ 230.00	$ 100.00	$ 50.00	$ 30.00	$ 10.00	
Gross profit/loss	$ 60.00	$ 130.00	$ 30.00	$ 10.00	$ 40.00	$ (40.00)	
Expenses							
Advertising	$ 5.00	$ 10.00	$ 4.00	$ 3.00	$ 6.00	$ 8.00	
Administration cost	1	3	6	9	2	4	
Total expenses	$ 6.00	$ 13.00	$ 10.00	$ 12.00	$ 8.00	$ 12.00	
NET INCOME	$ 54.00	$ 117.00	$ 20.00	$ (2.00)	$ 32.00	$ (52.00)	

Balance Sheet of Supreme Sports Ltd

As of December 2017 (All figures in $)

Cash	800	
Account receivable	100	
Inventory	100	
Assets	90	
Total Assets	1090	
Accounts payable	500	
Equipment loan	290	

Debts	100	
Stock	200	
Total Liabilities	1090	

Statement of flow from the years 2016 and 2017			
	2016	2017	
Receivable account	500	500	
Rent prepaid	100	100	
Insurance cover	10	12	
sales	600	700	
Payable account	450	480	
salaries	50	80	
income	140	190	
Interests	198	189	
End year of 2016			
Net sales	800		

expense of salary	700		
expense on insurance	389		
expense on rent	289		
Expense of interest	135		

Financial assumptions from the income statement

- The income and expenses are factual figures attained from the company's operations.
- The sales volumes are realistic statistics that can be easily verified.

Financial Analysis

- Liquidity ratios- These would be used to measure debts that a company has incurred and give a broader perspective of the financial health of an organization.
- Efficiency The ratios would be employed to provide extra insight into regions like collections, operational results, and cash flows.
- Profitability ratios-The ratios would assess the viability of a firm financially.

Mitigating the Risks

To ensure this bankruptcy problem is not witnessed, the sporting team management must ensure they can insure themselves with a renowned insurance company. This company will help them to cater to specific activities. They should also partner with other companies such as those in charge of making the playing kits. In a case where players suffer any injury while offering services to the team, the team head should ensure that each and every player has been insured against injury losses by a health insurance company. During the time of injury, the company will take care of patients' treatment bills, which may be expensive for the company (Liu et al., 2015). To reduce the risk of overspending, Supreme Sports Limited will ensure they have a budget beyond which they should not spend. This will reduce the issue of spending much more than the income that is received.

Investor Return on Investment

To ensure that Supreme Sporting Limited can generate many funds from investors, some good returns will show appreciation for their investments. One of the returns that the Supreme will offer is ensuring that each share of the investors is assigned to them at 40% of the total turnover on every investment they make. At the end of any trading period, they will also be given 50% of the profit the organization will come up with (Parlow, 2009). Supreme Sports Limited can also decide to offer some of its investors royalty fees to generate more funds. They will, therefore, be able to use the club's copyright when conducting most of their business promotions. This fee will enable the company to gain the trust of most investors. They should also ensure that they can offer high interest on savings. This will allow most investors to save their funds in Supreme Sport Limited's accounts.

Exit Strategy

To ensure that the Supreme Sports Company exits the business more efficiently, the company will use a stop-loss strategy, usually known as stops (Nolan, 2013). This is where you will be pushed out of a business when the security of Supreme violates the main reason why the company adopted a team or entered the trade. Some technical features the company will break include trendlines, moving averages, etc. This helps them to establish the stop loss price more naturally. At this point, the company can get out of the business.

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