

**Innospark**  
**Frequently Asked Questions**

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### How much does the firm currently spend or is willing to spend on marketing?

There is no such thing as marketing budget as a % of revenues or any fixed number. When running a startup, you are making such decisions every day instead of once per year. As the opportunity or a specific need comes, we make decisions based on available funds and priorities.

### How do you evaluate the efficiency of the products when the kids use them? How do you know that kids like it and it helps their creativity?

If our products were not good, the market would learn about that quickly. We would not be growing. Furthermore, we observe how children play with them during various events in the country (conferences, exhibitions). All of our products raise a lot of joy to children. And they do not need any explanation how to play. It is adults who we need to educate.

### Also, how do you get inspired to create each one of the products?

We find inspiration by observing our own children, talking to customers and social partners, following industry trends, working with design students.

### Sales growth and net profit

2015 year sales growth was 37% and net profit growth was 200%.

Did you conduct any survey on customer's option about your products? If yes, can we be shared this material?

We did not conduct a survey.

What is your current employee numbers and their placements, turnover rate, training program?

2 employees, other services outsourced. 0 turnover. On job training.

Expo participation

edu2 brand participated in one of the most important educational events of Spain "Semana de la Educacion" (Education Week). You can see some photos and short video clips in [www.facebook.com/edu2play](http://www.facebook.com/edu2play)

Monai, product innovation sample

We launched an Indiegogo campaign for our new product MONAI. This information could be of relevance to students. MONAI is the type of product innovation we are looking for. I would also appreciate if you spread the word around and help us reach our goals:

<https://www.indiegogo.com/projects/monai-feel-the-rhythm-of-your-day/x/13390113#/>

Could 3D printer somehow be integrated in the production process?

It could be an option in the future. If students can argue that 3D printing for our type of products, materials, and quality requirements is feasible, I would be curious to see such analysis. 3D printer is an investment itself, and it has high maintenance costs. Actually, we were thinking about acquiring a 3D printer for prototyping but there are quite a few labs in Lithuania where you can get such services for a fixed daily fee.

Sales

On average we sell 2 sets of accessories per one light table. There is no consistency in total monthly sales figures of light tables. One month we can sell 20 light tables, in other months the number could be twice as little. By the way in the beginning of this year we sold 3 light tables and tabletops to Guggenheim museum in Bilbao for the creative workshops. We can't use this information publicly, sadly enough.

For the year 2014, how many educational light tables did Innospark sell?

Over 300

For the year 2014, what was the total income from sales of the educational light table?  
100,000 EUR

For the year 2014, what was the total income for the company as a whole?  
150,000 EUR

For the year 2014, what was the net profit margin for the educational light table?  
N/A

For the year 2014, what was the net profit margin for the company as a whole?  
7%

For the year 2014, what was the sales revenue in Lithuania?  
120,000

For the year 2014, what was the sales revenue in Latvia?  
60,000

Which channels Innospark use to sell their products to schools and to private consumers?  
(direct sell, through alliances with big or medium stores, etc.)  
Mix of direct sales, e-shop, distribution agreements. So far, direct sales bring the most volume.

Is Innospark in any alliance with other enterprises to sell, not produce, the product?  
Distribution agreements for sales in the Baltic States.

Does Innospark sell other products different to the light table? Which one/s?  
Yes, please visit [www.edu2.lt/en](http://www.edu2.lt/en)

Innospark uses an outsourcing method. The light tables are produce in Lithuania? Or  
outside Lithuania?  
Everything is produced in Lithuania

Is Innospark integrate in any commerce institution inside the country?

No.

What is the amount of your regular customers?

Most of the customers are new. The products are very durable and can be used for many years (10+)

What is the average purchases of a regular customer for a year?

An average purchase is 2 light tables, 2 sand&water tabletop, 2 accessories.

What is the flow of new customers in 2013 and 2014?

About 90%.

How many customers buy your product only once and never make other purchases?

Most of the customers are new. The products are very durable and can be used for many years (10+)

Have someone ever complained about your products?

No.

How many complaints have you received from the costumer, due to a damage in your product?

There were several complains regarding damages that occurred during transportation, on average 10 complains per year

How many visitors does your site have per day visit?

30 on average

How many of them do make a purchase?

Very few. This sales channel is not very effective so far.

How EDU2 goods are made? Do you have your own factory, or Innospark order 3-d company for manufacturing?

All our production is contracted to local manufacturing companies. We have 5 production partners.

How big is a budget for market entering? Is it reasonable to open new office/fabric in foreign country? Why do you want me to open a factory in another country? Why do I need an office in another country? Do you know the country where the sales will boom if we open a factory/office?

Every dollar should be spent with a good reason. If you can show me a case of the guaranteed success, I will get the money.

How big is Market budget if there is any market budget?

Prove your argument and suggest a new marketing strategy that will work right way and will bring high return on marketing investment. I will be grateful.

How much Innospark can invest in product re-designing? Why do you guys care so much about investments and expenditures?

CONVINCE me that we need to redesign the products, show me the product features that customers are eagerly waiting for, show me the numbers for the definite sales potential, let's make a million dollar bet, and I will redesign the product whatever it will cost.

Do they come pre-assembled or are they in pieces?

The products come fully assembled. The space under the light table is used to pack the accessories. So, we are not shipping much air with any of our products, and there is no much room for saving on shipping costs with regards to the dimensions.

What are the dimensions of the final product's packaging? Secondly, is the packaging 100% recyclable?

The dimensions of the light table packaging is the equal to the dimensions of the table plus 20 mm, i.e., 720x520x210 cm. The same applies to the packaging of our Tetricube. The space dividers are foldable, so the dimensions of the packaging are 910x550x230. The packaging is not fully recyclable. We use cardboard boxes for packaging and plastic tapes/air cushions to protect against transportation shock.

Do you have available any balance sheets, income statements, profit margins on each individual product, it would be greatly appreciated to have that information sent to me so that my team can further our research and give the best possible strategy.

Unfortunately, the information you request is not available for a number of reasons. The best possible strategy that I am looking for is a concise, practical, rational, and unconventional action plan with a purpose and estimated results. Imagine this as a startup which only has the products and a huge motivation to conquer the world.