

Cannon GOLF Checkpoint #2

Presented By

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Agenda

1. Consumer
2. Brand, Product, & Challenge
3. Market Size Assessment
4. External & Internal Analysis
5. Competitive Advantage
6. Goals & Implementation
7. Conclusion

SAYS (GOALS)

- “I want to play on my own time- even if it gets muddy!!”
- “It takes away my playing time having to clean my shoes before a round when I forgot to clean them afterwards last time”
- I like to play golf with my friends to destress, hang out, and get moving”
- “Work is demanding this time of year”
- “I’m not a sneakerhead, I want **one pair of shoes that lasts** at least through the end of the year”

ACTIONS (MOTIVATIONS)

- When his shoes get wet, they may play less holes
- Spends extra time drying his socks
- Exclusively buys **waterproof** shoes from now on
- Hasn’t risked buying spikeless shoes, even though he wants to try it
- “I want to try and shoot under 80 this year!”

THINKS (PAINS)

- “I don’t want to play golf in spiked shoes because whenever I’m off grad it’s **uncomfortable** to walk”
- “I am always **slipping** in my spikeless shoes when it even is a little bit wet outside.”
- “My feet get wet with my current shoes whenever I play”

FEELINGS (VALUES)

- Always feels rushed with busy schedule
- Frustrated and disappointed about bad performance
- Lightning/course closure is the only way weather deters him from rain play
- Focus on **durable** shoes
- **Sustainable** mindset when making purchase decisions

Meet: Ace Links





Primary Consumer **Ace**

- **Goals** - To be his best in every part of life and **show up consistently** in the office and on slippery green.
- **Pains** - Having stinky wet feet which causes inconsistency professionally and, on the course
- **Settings** - **Young professional in PNW**
- **Motivations** - Being consistent on the course and being able to balance his busy lifestyle and love for sports
- **Values** – High achiever and performer



Typical Consumer **Jacob**

- **Goals** – To level up his play, starting to get serious about golf
- **Pains** - **Feeling like his game can't improve** because of where he lives and the conditions he plays in
- **Settings** - Urban scene with typically humid climate with daily wet grass, occasional light rain
- **Motivations** – Improve at golf and look trendy on/ off course
- **Values** – Enjoying golf, performance, break even in his money league



Anti-consumer **Rodney**

- **Goals** - To have a great time in the clubhouse and catch up with friends
- **Pains** - **Not liking to deal with the weather conditions** and all the walking that come with golfing (especially without a beer!)
- **Settings** – Country club/ upscale golfing environment
- **Motivations** - Enjoying their time on the course (Socializing)
- **Values** - Only plays for fun and **rarely goes to the course without an invite**

Empowering golfers to swing like never before
and push limits to create exciting moments

Vision

To build toughness within all athletes and
encourage a high risk-high reward style of play

Purpose

To form a perseverant golf community prepared to
perform in all conditions

Position

Sports product innovator that challenges players to own the round and
challenge the status quo for the advantageous all-conditions golfer

BHAG

Dominating the marketplace by being
the most worn brand at any golf course

Cannon Anchor SL



- Stabilizing and cushioned midsole with heel-toe drop to shift pressure on forefoot
- Lacing strap to restrict lateral foot movement combined with BOA lacing
- SL Wave traction outsole, Enhanced traction and grip in wet conditions
- Waterproof Coating on stretch upper
- Versatile and Comfortable all day wear design
- MSRP: \$180 FOB: \$36

Every Slip is a Stroke

Cannon Anchor SL Sample



Unique Selling Proposition



is the slip resistant spikeless golf shoe that offers a distinct look on the course that is complemented by functional performance benefits to reduce slipping and build community

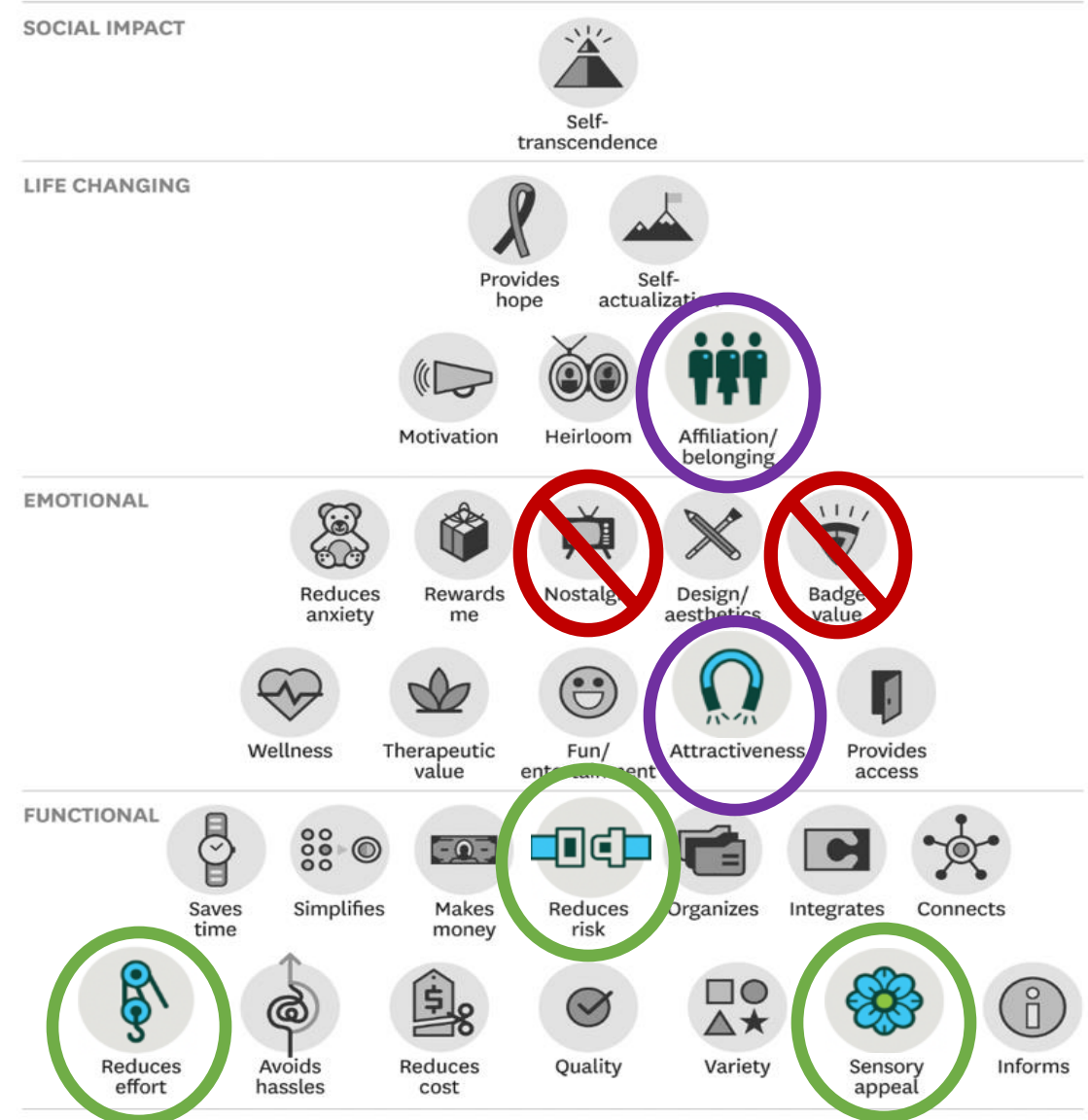
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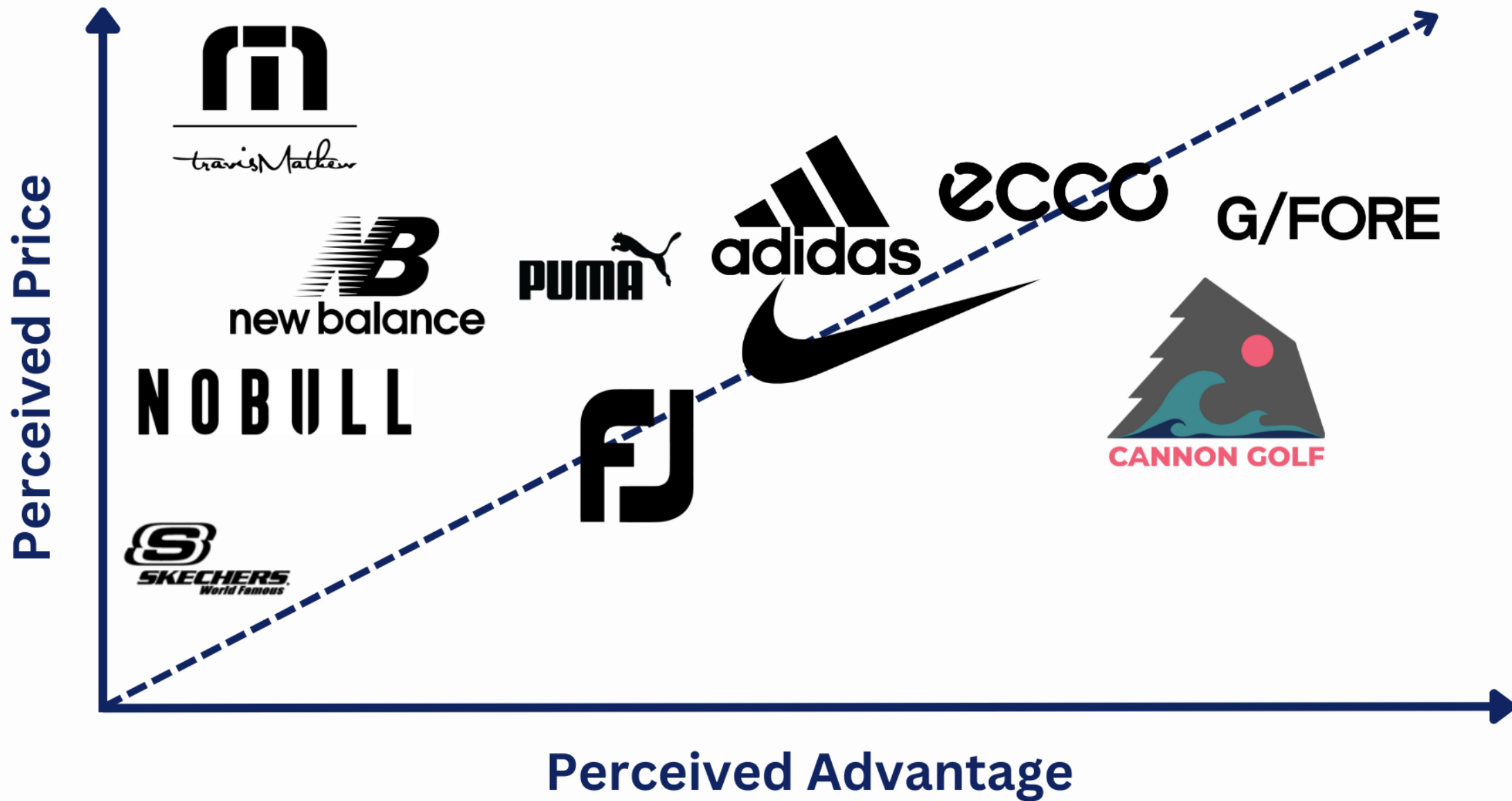


is the slip resistant spikeless golf shoe that offers cultural connection on the course with one of golf's most iconic brands

Product Attributes

- **Green: Low level**
 - Reduces effort
 - Sensory appeal
 - Reduces risk
- **Purple: High level**
 - Affiliation/belonging
 - Attractiveness
- **Red: Not an Attribute**
 - Nostalgia
 - Badge Value





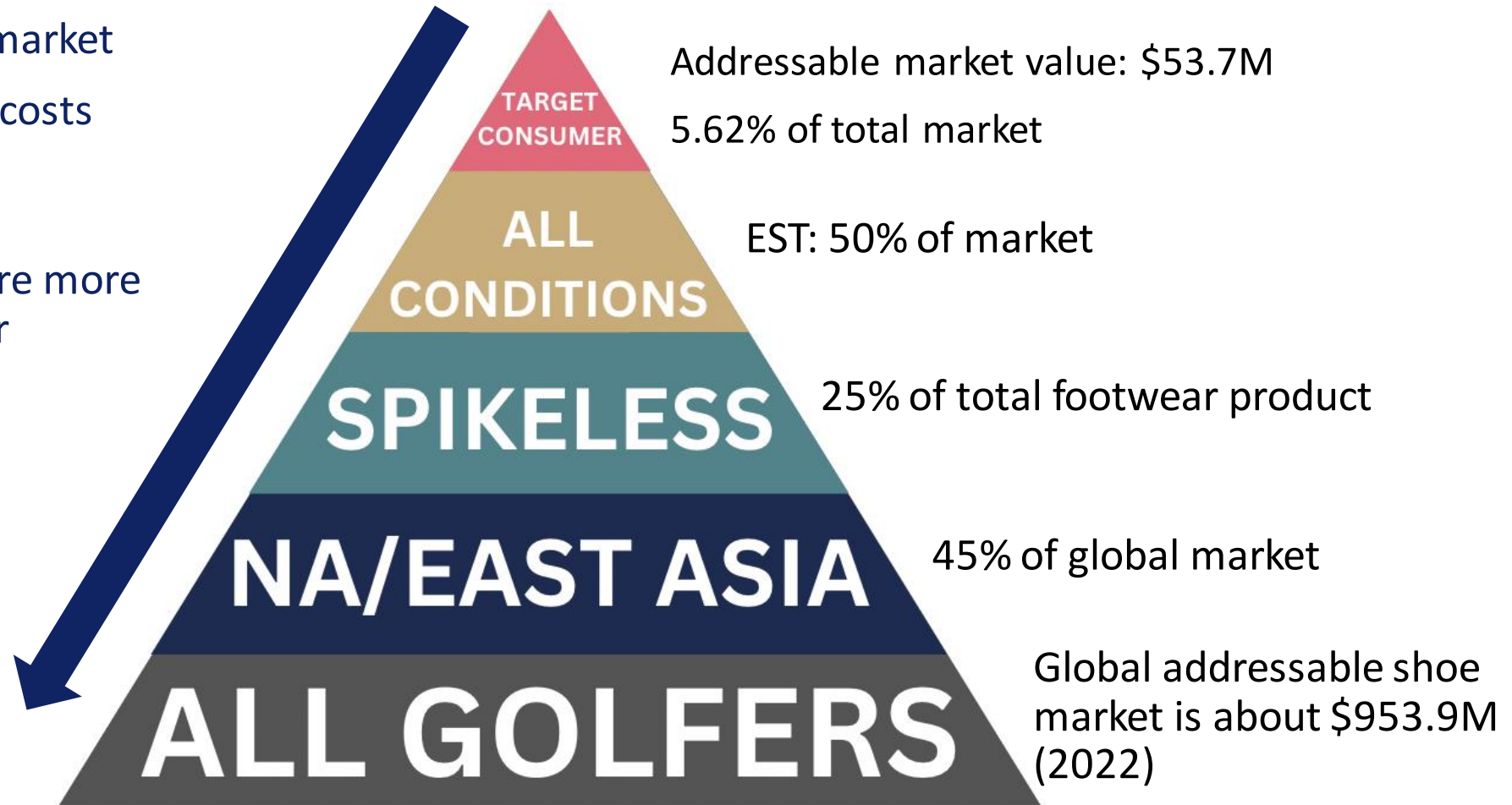
Cannon Golf's Position on the Value equivalency line is indicated by having a medium-priced product that offers a premium experience with its technology, style, and multipurpose functionality.



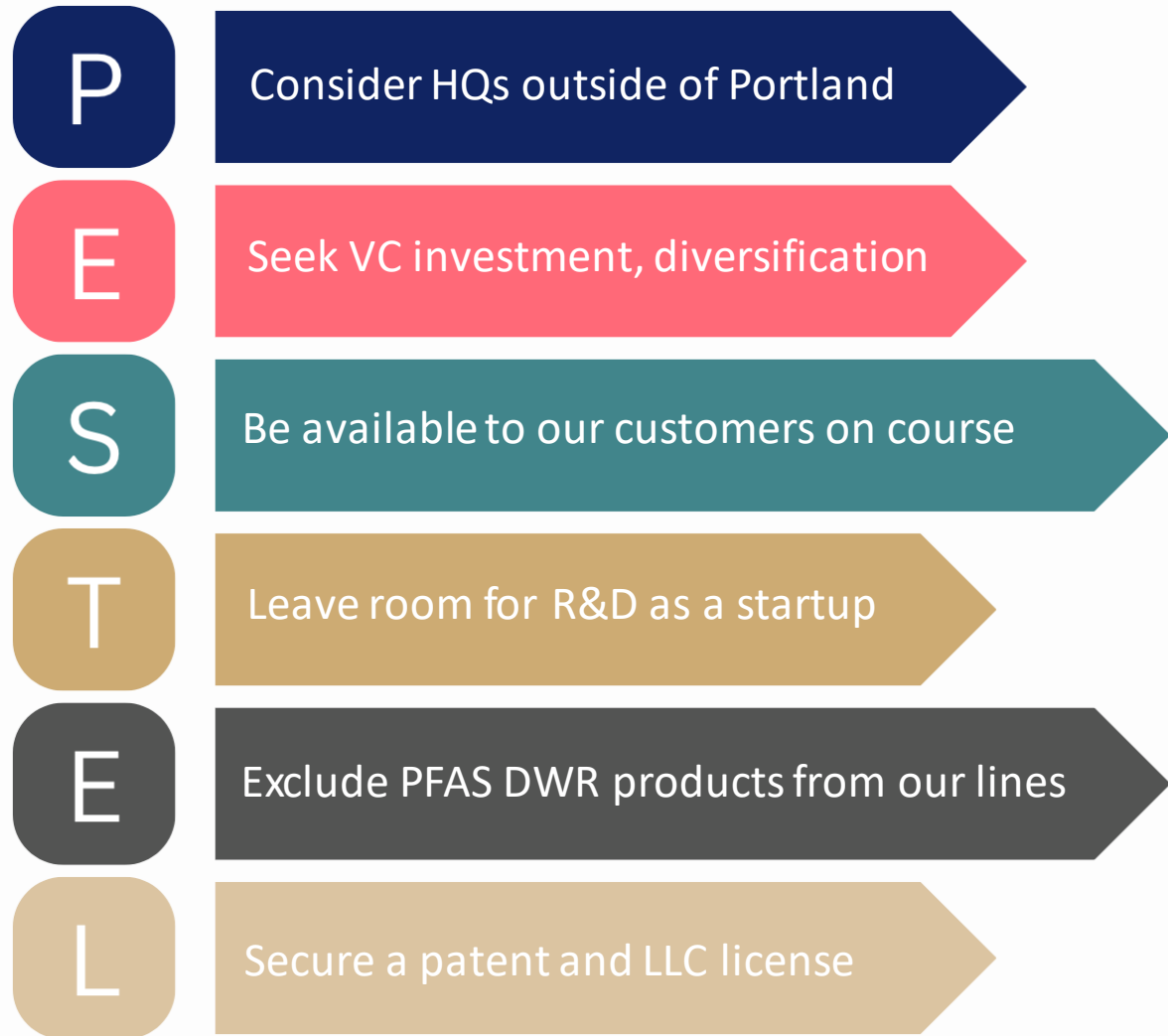
Our Challenge

Market size assessment

- Trickle down from target consumer
 - Slipping is a universal problem
- Saturated golf footwear market
- High expenses in startup costs
 - No consumer trust gained
- Need to show market differentiation and capture more than our target consumer



External Analysis



5 Forces



SWOT

STRENGTHS

- Brand rooted in golf/golf culture/golf insights
- Strong consumer research
- **Targeting an underrepresented player**
- Unique design
- Innovative disc lacing design

WEAKNESSES

- Small **start-up without market share**
- Low capital, high investments
- Low industry experience
- **Golf-specific brand**

OPPORTUNITIES

- Highly marketing susceptible target consumer
- **Patent on integrated lacing system**
- Only brand exploring niche area

THREATS

- **Spikeless golf shoes could be trend heavy-** need more colors
- Solving too many problems- lack of product focus
- Difficult brand expansion

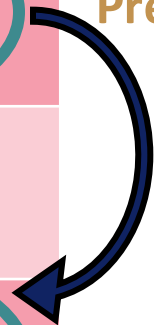
Internal Analysis

VRIO

Valuable?	Rare?	Difficult to imitate	Is business organized around it	Result
No				Competitive Disadvantage
Yes	No			Competitive Parity
Yes	Yes	No		Temporary Competitive Advantage
Yes	Yes	Yes	No	Unused competitive advantage
Yes	Yes	Yes	Yes	Sustainable competitive advantage

Pre-Patent

Post Patent



Tangible Resources



SUPPLIERS AND MANUFACTURERS



PROPERTY, PLANT, EQUIPMENT



STAFF AND EMPLOYEES



Intangible Resources



DESIGN AND FUNCTION R&D



INSIGHTS AND INSPIRATION



COMPANY BRANDING

Capabilities



MULTI-CHANNEL MARKETING



FINANCIAL TESTING ANALYSIS



DESIGNING



SALES STRATEGY



FISCAL MANAGEMENT

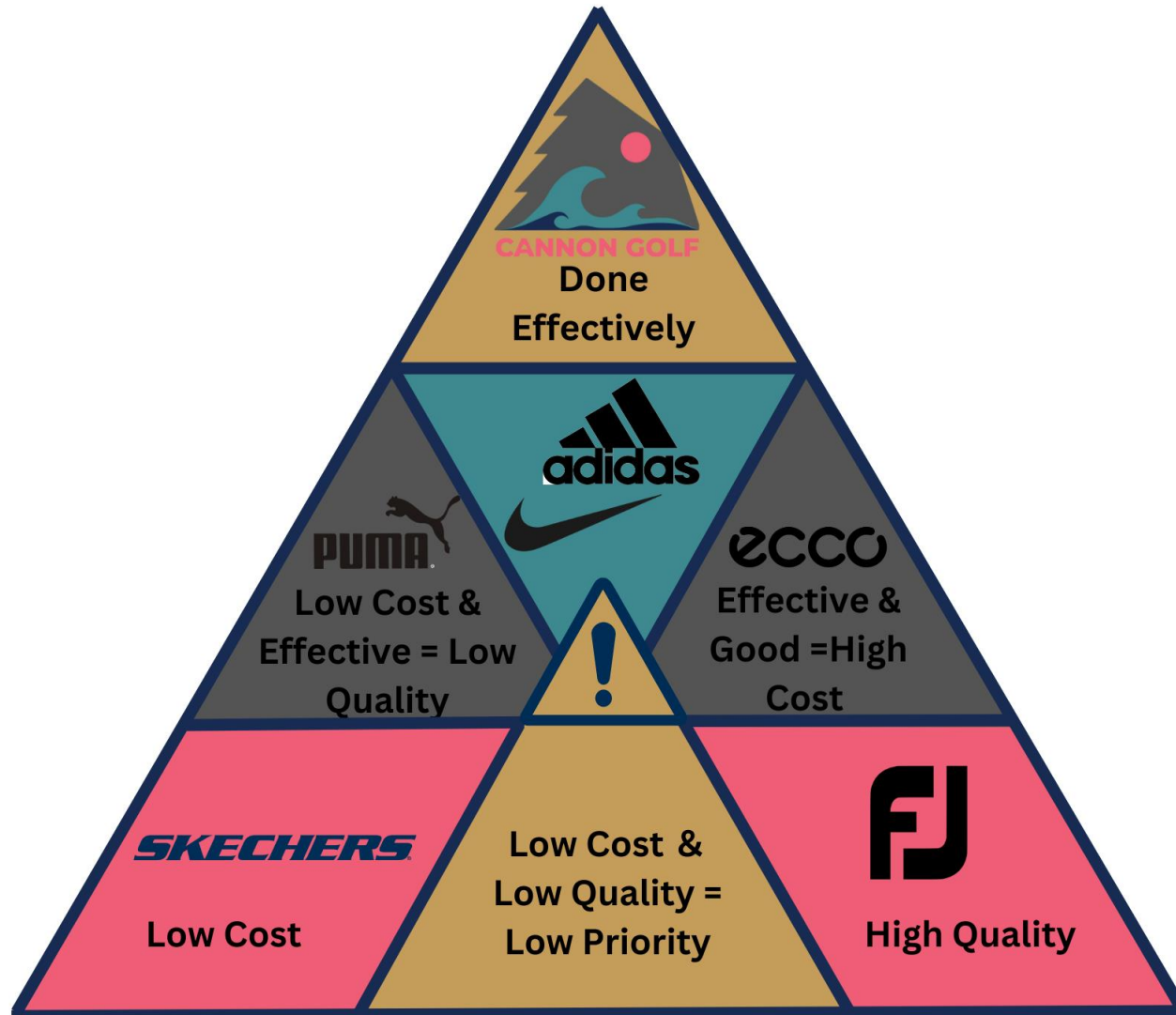


PRODUCT DEVELOPMENT

Value Chain



Competitive Advantage



Capitalizing on blind spots:

Misjudging customers' changing needs

- People play in wet conditions year-round
- Want for more casual styles with color pops

Poor identification of competitors

- Spikeless non-golf shoes are alternatives for golfers
- Weather resistance is a purchasing factor
- Young golfers moving away from traditional designs

Competitive Advantage

FUNCTIONAL



- Water resistant/ spikeless design for minimal cleaning
- Adjustable BOA upper allows all golfers ideal fit
- Unmatched stability & traction with BOA lacing and spike-less design

SOCIAL

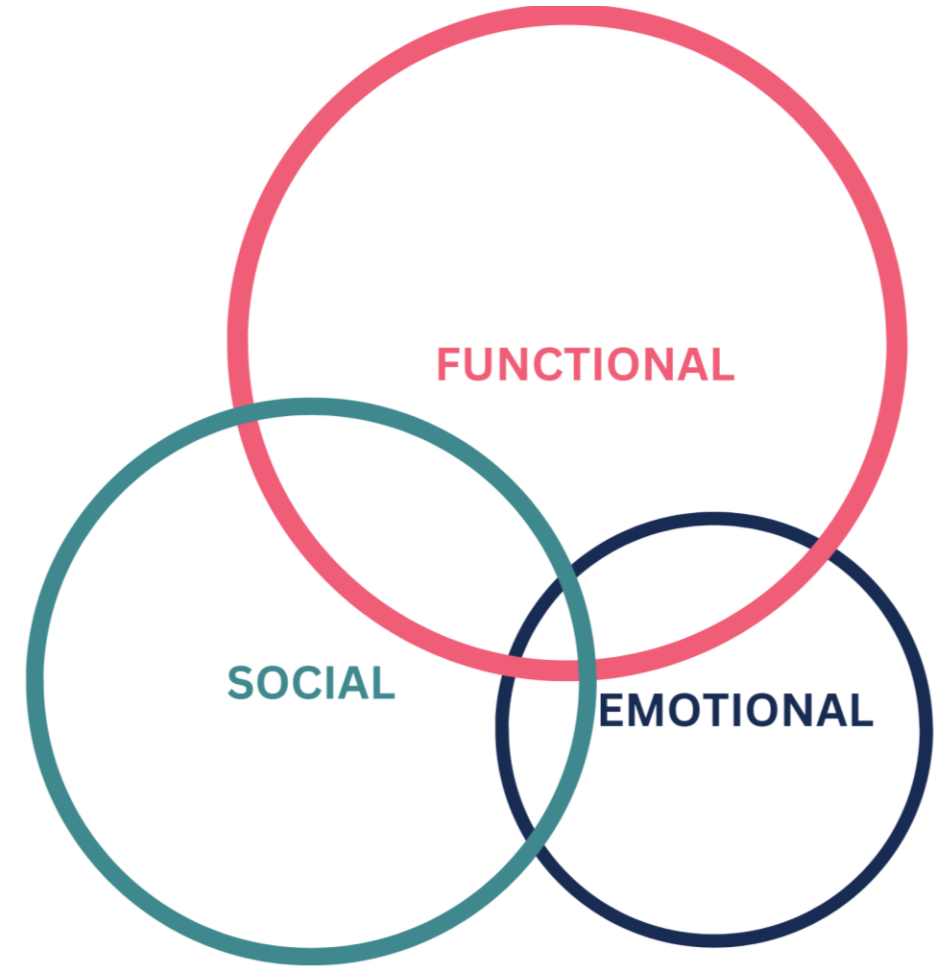


- Stylish colorway/design
- Water resistant upper and spikeless design for clean transition from the green to the clubhouse
- Water reduction targets and motives

EMOTIONAL

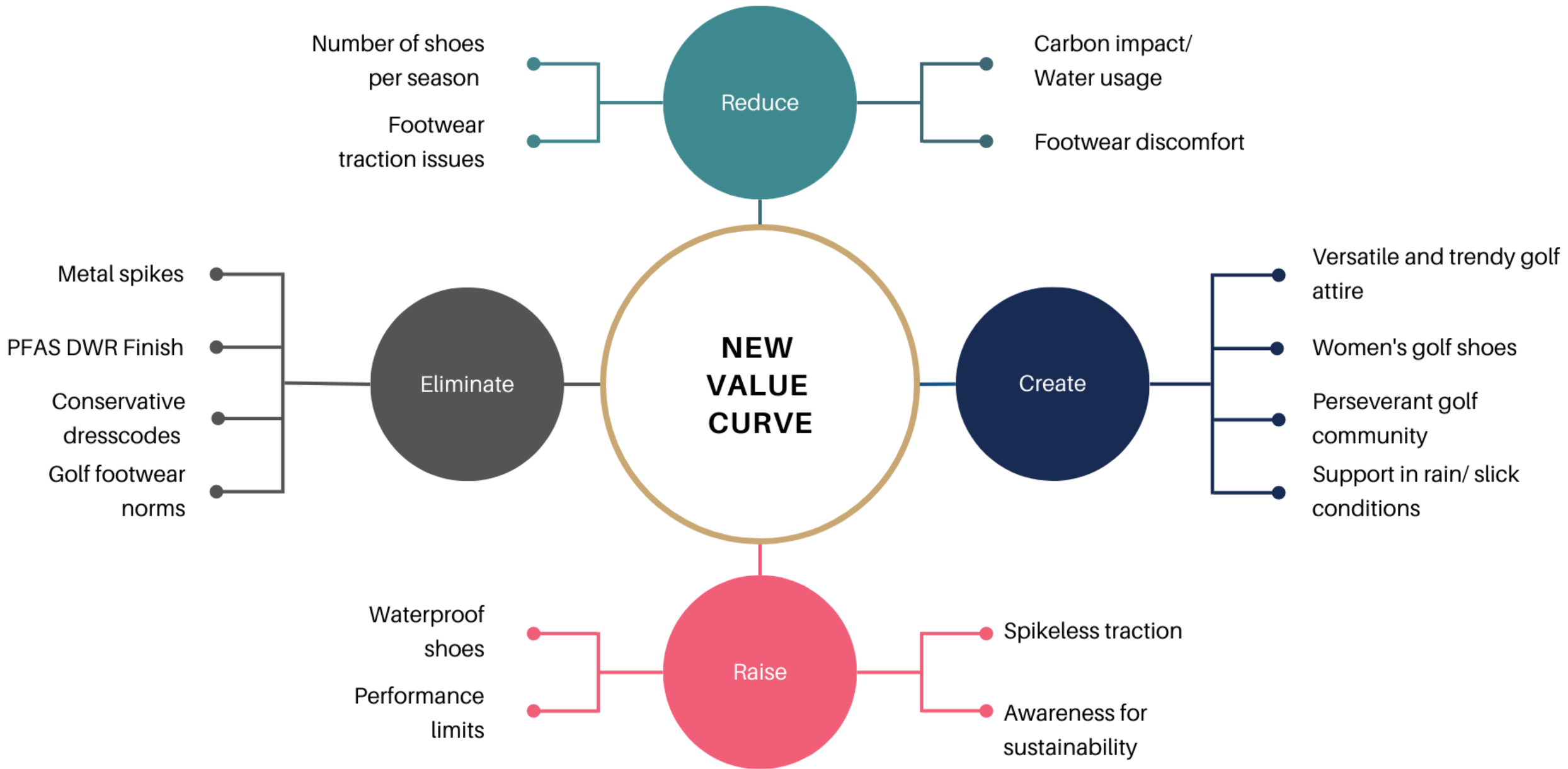


- Mission to get ALL athletes on the course
- Water resistant design offers the opportunity to play year-round



Competitive Scope





*Golfers are slipping when hitting the ball in slick conditions,
inevitably adding strokes.*



Own the course:

- Best and most worn products
- Confident and tough community

Challenge players to own the round:

- Equipping from head to toe
- Innovative performance solutions

3 Horizons

- 01.
- Launch the CANNON ANCHOR SL
 - Identify market
 - Brand awareness

- 02.
- Diversify our consumer base
 - Innovate and refine existing product line

- 03.
- Expand into new markets

Horizon 1 : Breach Loader (June'23 - Sep.'24)

	Objective	Actions	Resources	Measures
CUSTOMER/ PRODUCT	<p>Successful launch</p> <p>Building brand awareness</p>	<ul style="list-style-type: none"> Launch ANCHOR SL in the US Tell convincing marketing story Build loyal customer base 	<ul style="list-style-type: none"> Relation to target consumer Online/ social media channels 	<ul style="list-style-type: none"> <20% returns Successful launch with >20k unit sales in year 1 Growing website visits monthly by 10% Growing social media monthly by 10%
PROCESSES	<p>Identify market landscape</p> <p>Securing a patent</p>	<ul style="list-style-type: none"> Identify key sales partners Digital marketing Securing patent on lacing system 	<ul style="list-style-type: none"> Partnerships Efficient supply chain 	<ul style="list-style-type: none"> 5 key accounts Open 5 digital marketing channels Patent by USPTO
FINANCIAL	<p>Gain initial investment</p> <p>Generate early sales</p>	<ul style="list-style-type: none"> VC/ Angels investment Online advertising 	<ul style="list-style-type: none"> Our brand and product Our Network IT and digital marketing 	<ul style="list-style-type: none"> Raise \$100k for first order 70% Sell-through
PEOPLE	<p>Create sustainable company structure</p>	<ul style="list-style-type: none"> Clear company structure Attract talent Employee satisfaction Satisfied production partners 	<ul style="list-style-type: none"> New talent and HR Production partners 	<ul style="list-style-type: none"> 100% employee retention Top 20 workplaces in Oregon

HORIZON 2 : Firing the CANNON (- sep.'26)

	Objective	Actions	Resources	Measures
CUSTOMER/ PRODUCT	<p>Expand and refine our product line</p> <p>Diversify our consumer base</p>	<ul style="list-style-type: none"> • Develop accessories line • Develop market specific SKUs • Expand to Japan • Develop specific designs/colorways • Increase digital footprint • Female targeted marketing 	<ul style="list-style-type: none"> • Feedback of Anchor SL • Manufacturing Partners • Unisex sizing • Female influencer/ athletes 	<ul style="list-style-type: none"> • >25k unit sales yearly • 15k unit sales in Japan • >5k sales = returning Cannon Golf customers • Women's sales - 25% of total sales • 10% sales – Affiliate Marketing
PROCESSES	<p>Optimize marketing efforts</p> <p>Leverage Supply Chain</p>	<ul style="list-style-type: none"> • High emphasis on customer experience and UI/UX instore • Invest in push marketing 	<ul style="list-style-type: none"> • Tech- Driven Golf Community • Consumer insights • Global Supply Chain 	<ul style="list-style-type: none"> • 15% conversion at Cannon Golf promo events
FINANCIAL	<p>Gain more revenue streams</p> <p>Larger market share in the wholesale space</p>	<ul style="list-style-type: none"> • Focus on partnering with brands that have affiliated pro-shop • Selling more product SKUs 	<ul style="list-style-type: none"> • Leveraging our existing retail partners 	<ul style="list-style-type: none"> • Net Sales increase 20% YoY >
PEOPLE	<p>Hiring talent that reflects the golf community</p>	<ul style="list-style-type: none"> • Dedicate 25% of our roles to diverse groups 	<ul style="list-style-type: none"> • Golf industry network 	<ul style="list-style-type: none"> • YoY % increase of diverse applicants • Measure diverse employee retention YoY

Horizon 3 : Building the Arsenal (- Sep.'27)

	Objective	Actions	Resources	Measures
CUSTOMER/ PRODUCT	<p>New market expansion</p> <p>Consumer engagement to create perseverant community</p>	<ul style="list-style-type: none"> Focus on international marketing Global expansion Expand Women's business Host community events Partner with golf courses and tournaments Increase digital footprint 	<ul style="list-style-type: none"> Online reach Core competencies Partnerships Consumer relationships Online learning material 	<ul style="list-style-type: none"> 15k unit sales in Japan 5% market share in US 5 events per key region Create an App Women's specific last
PROCESSES	Efficient internal supply chain	<ul style="list-style-type: none"> Optimize sample process 	<ul style="list-style-type: none"> Production partners 	<ul style="list-style-type: none"> Reduce product creation process by one month
FINANCIAL	Sustainable and transparent profitability	<ul style="list-style-type: none"> Targeted investments in company Acquisition negotiations with top sports brand 	<ul style="list-style-type: none"> Transparent financials and value chain Patent 	<ul style="list-style-type: none"> Grow net income with sales Acquisition
PEOPLE	<p>Become highly desired employer</p> <p>Focus on our suppliers' employees</p>	<ul style="list-style-type: none"> Talent development program Grow with new talent Create great relationship with suppliers 	<ul style="list-style-type: none"> Expertise in company Industry knowledge Market insights 	<ul style="list-style-type: none"> 90% employee retention Top workplaces in Oregon

Conclusion

- Create with strong consumer focus
- Analyze the market space
- Formulate a plan and place in the market
- Implement strategy to expand our business
- Become the most worn brand on the course



CANNON GOLF

THANK YOU

Questions?



Appendix

PESTEL	Top Trends	Industry Implications	Potential Company Actions/Strategies
Political	<ul style="list-style-type: none"> •Major corporations leaving California for a more tax-friendly headquarters- Majority of the golf-specific brands are in CA, AZ, FL, MA •Increasing sourcing and manufacturing done in Vietnam, 	<ul style="list-style-type: none"> •Could be a risk knowing that Vietnam has communist beliefs and close relations to China •Sourcing may become difficult if political tensions raise between the US and China •20% duty rate for all synthetic footwear from Vietnam 	<ul style="list-style-type: none"> •Consider relocation to a Portland Suburb/closer to distribution center/the Southwest to attract more industry talent •Once the product line expands, diversify supplier countries
Economic	<ul style="list-style-type: none"> •Discounts across the industry due to prior supply chain delays •Debt ceiling rising •High inflation rates 	<ul style="list-style-type: none"> •High discounts on past seasons products •Less discretionary spending from avg consumer •High end sneakers are decreasing in value on reseller platforms 	<ul style="list-style-type: none"> •Begin seeking Venture capital investment •Solidify contracts for both NA and APAC warehouses/distribution centers
Social	<ul style="list-style-type: none"> •Mental health crisis •TikTok ban in Montana •Increase in golf viewership and participation from younger generation 	<ul style="list-style-type: none"> •Brands making stances on social issues - sharing mental health vulnerability on social media •Partnerships donating to youth organizations teaching children and underserved communities the game of golf •Gaining consumer trust with efficient cleaning services 	<ul style="list-style-type: none"> •Create social media KPI's to make a safer more inclusive space •Donate B-Grade product that have been sitting in the warehouse for over two years will be donated to The First Tee •The Cannon Reload program offers cleaning services at our partnered clubhouses
Technological	<ul style="list-style-type: none"> •AI is rapidly growing •Bitcoin declining •NFT's/Metaverse is failing 	<ul style="list-style-type: none"> •Brands with heavy NFT investments will have to offset the cost •Security concerns for companies sharing private data on AI platforms 	<ul style="list-style-type: none"> •Starting patent search on integrated lacing boa system designs •High investment in material development •Patent in the golf industry could either mean selling the idea to a competitor, or developing a competitive advantage
Environmental	<ul style="list-style-type: none"> •Regulation for new vehicle purchases •California ban on PFAS material usage •European regulation of disclosing suppliers •Nearshoring production rising 	<ul style="list-style-type: none"> •Growth in nearshoring capabilities in footwear and apparel manufacturing •More delicate factory partner selection process for brands distributing in Europe •Race to create waterproof materials to replace current DWR PFAS solutions 	<ul style="list-style-type: none"> •Become an industry leader in terms of water usage- a hot topic and environmental concern in the golf world •Integrate PFAS Free DWR into all waterproof products •Donating 1% of all profits to environmental groups to conserve waterways
Legal	<ul style="list-style-type: none"> •TikTok ban in Montana led by countersuit •Legal action for brands to disclose their supply chains 	<ul style="list-style-type: none"> •Nike, Shien, Adidas and other brands required to submit traceability report to US federal government 	<ul style="list-style-type: none"> •Become registered as an LLC •Own a patent •sign a nda contract with the current manufacturing partner

Porter's 5 Forces

Overall assessment of competitive intensity

Many brands are beginning to begin creating spikeless golf shoes because the sport is growing, and you can make them in multiple manufacturing environments.

5 years from now

If the number of golfers continues to increase globally, in five years the golf footwear market could become very saturated. Consumers will naturally gravitate towards the cheapest option or trusted brand.

Porter's Five Forces	Assessment	Major Players	Overview of Key Dynamics and Impact to the Organization
Industry Rivalry	Medium	Footjoy, Ecco, Nike, adidas, g/fore, Olukai, puma	The high degree of brand loyalty in golf footwear is complimented by the massive influx of brands who are beginning to create golf footwear products. This sector is quickly becoming a higher threat as the game is expanding to a younger generation, and as the spikeless trend increases
Buyer Power	High	Clubhouses, wholesalers, DTC	Despite there being many pro shops, golf specific stores, and retailers, there is still a low demand for product from any startup until profitability is displayed. There are also many alternatives from reputable brands available
Supplier Power	Medium	Vietnamese factories, Chinese factories, Taiwanese factories, Indonesian factories	Despite being a new entrant into the market, the supplier power is a medium due to the quantity of golf shoe manufacturing options. Suppliers may spend more time on their projects with a higher order quantity than ours
New entrants	Medium	Allbirds, travis matthew, nobull	Low entry barrier to enter the golf footwear creation space due to manufacturing partners not needing to be golf specific. Due the growth of spikeless
Potential Substitutes	Medium	Tennis, pickleball,	Sports when the sun is out but can be hindered by the rain...typically known as the country club sports

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