



The Duran Group

DESERT FOX GOLF USA Market Growth Plan

Golf Market Opportunity and Challenges for DESERT FOX GOLF:

The timing seems ideal for DESERT FOX GOLF to expand into the Golf Pro Shop and Golf Specialty Retailer Markets, considering the high number of golfers using mobile phones to enhance golf rounds, in addition to the lack of efficiency currently in the market - with most golfers placing their phone in the golf cart cupholder or front section of the cart.

The main challenges for DESERT FOX GOLF in terms of market penetration are the following:

- The golf market is extremely fragmented with over 18,000 locations spread throughout the USA. Most locations purchase on an individual basis, and they need frequent proactive follow-up sales calls for fill-in orders with accessory and impulse items. Just in time service is needed for the golf market, and we have a proactive solution for handling these specialized retailers.
- It would not be cost effective or practical for Company Field Sales Reps to reach and service the Golf Market alone, and commission based independent Field Sales Reps have not been effective in a solo role pioneering new categories in the Golf Market. Several strong niche products have entered and exited the golf market, unable to achieve desired results from commission based independent field reps alone.

The Sales Team structure which has proven to be most effective in overcoming these challenges, in Golf and other fragmented specialty retailer markets, is a hybrid method we refer to as Dual Sales. Dual Sales involves and Inside Tele-sales Representatives working as a Team with Field Sales Representatives as a Territory Partners.

In a Dual Sales Team structure, both Representatives get paid on all territory sales as partners, which promotes Dual Sales communication, sales call coordination, territory teamwork and camaraderie as both team Members fight for a common goal. The high proactive level of service from an Inside Sales Representative generating fill-in orders in between Field Sales Rep's calls, will allow DESERT FOX GOLF to maintain precious floor space and premium position. In addition, by sending a product sample that a golf shop or golf retailer can test, new reseller locations can be developed by phone alone.

Despite the growth of online sales in the golf market, over 75% of golf accessories are still sold at golf pro shop and golf specialty store brick and mortar locations. Impulse products sold for \$30 or less sell very well in green grass golf pro shop location, in which a consumer will buy a last-minute item to enhance their round, just minutes before they head to the 1st tee. We anticipate that this significant factor will be a major part of the success of Desert Fox Golf in the reseller channels. Product line extensions will progressively increase revenue at each reseller location, and we are encouraged that this is part of the company's expansion plan.



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The Duran Group Background Summary:

- ✓ The President/Founder of The Duran Group, Tony Duran, has worked in the Golf Market for 42 years. He has combined his passion with a way of making a living, and Tony has been an inspirational leader and motivational speaker at numerous golf industry events, trade shows and also with college students seeking a career in Golf and Sports.
- ✓ Over the past two decades, The Duran Group has been the leading Sales and Marketing Firm in Golf/Sports, achieving this position with a strong track record of bringing new brands and new product categories into the markets.
- ✓ Tony Duran/The Duran Group own the National Golf Sales Association (NGSA), which is the largest Golf Sales Rep Association, and also one of the Top 5 Golf Industry Associations.
- ✓ The Duran Group has also worked in other retailer specialty markets, such as outdoor sports, action sports, specialty gifts shops, natural product retailers, music specialty retailers, etc. showing versatility in building sales growth in other fragmented markets.

The Duran Group's Outsource Sales Services includes the following roles for DESERT FOX GOLF:

1. **Marketing Consultation** from one of the leading Sales Consulting experts, Tony Duran, including Golf Market strategy for DESERT FOX GOLF, brand positioning, product line extensions, collateral materials, trade show preparations, sales presentation tools, website communications and other business-related matters.
2. The Duran Group's **VP of Sales/National Account Manager** who assists the company in recruiting independent Field Sales Reps to work as a Team with Inside Sales in a Dual Sales operation targeting the Premium facilities in the golf market.
3. Company dedicated **Inside Sales Representative(s)** who proactively assists the independent Field Sales Reps in developing new Customer locations, and servicing Customers in a timely manner with proactive contacts in between Field Sales visits.



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4. The Duran Group also handles inbound **Customer Service** calls from Golf Retailers and Golf Pro Shops, servicing customers with Golf Market specialists.
5. **Project Administration**, Commission Tracking and Sales Representative Reporting are conducted by The Duran Group's Administrative Staff. This simplifies the monthly commission check process for DESERT FOX GOLF, writing a single commission check each month rather than 30+ checks for individual sales personnel.

The Duran Group Project Steps and Summary:

1. Capitalize on The Duran Group's specialized expertise to collaborate with the Management Team of DESERT FOX GOLF, developing a roadmap for distribution and revenue growth in the core Golf Market channels (Golf Pro Shops, Golf Specialty Stores, and Golf Tournament Events).
2. Assist the DESERT FOX GOLF Management Team with development of market and channel strategies for each targeted market channel, creating a game plan for establishing relationships with the right channel partners, key strategic alliances, and strong retailers in each designated market.
3. Utilize The Duran Group's management team for developing and managing a nationwide Dual Sales Team of independent Field Sales Reps for DESERT FOX GOLF.
4. Build a turn-key Inside Sales operation for DESERT FOX GOLF, utilizing Company dedicated Inside Sales Reps for proactive outbound calls to Golf Pro Shops and Golf Specialty Stores, assisting their Field Sales Rep partners in developing and servicing golf market locations.
5. Implement and/or refine a CRM system to be used by Inside Sales Representatives for daily call logging and sales pipeline development, creating an effective sales force automation system for DESERT FOX GOLF to use in the Golf and Sports Specialty Markets.
6. Import The Duran Group's comprehensive Golf Market database, which has been built and refined over the past 27 years, providing DESERT FOX GOLF with a valuable asset for selling the core market channels in the Golf Industry.



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7. Assist DESERT FOX GOLF with developing and negotiating Marketing Campaigns with potential media partners, leveraging The Duran Group's relationships and track record to acquire product integration, editorial content and favorable media packages – building higher consumer awareness and demand for DESERT FOX GOLF in all targeted market channels.
8. Assist DESERT FOX GOLF with developing strategic relationships with OEM golf cart/golf scooter companies, in addition to golf cart distributors who sell new and used golf carts to consumers, building high volume customers progressively to capitalize on momentum created by the reseller channels
9. Be available for consultation on any golf business matters for DESERT FOX GOLF, and participate in on-site management and staff meetings when needed.

The Duran Group Project Compensation:

Stage One Regional Market Penetration: \$3900 per month plus 15% Dual Sales commission on Golf Pro Shops, Golf Specialty Stores and Golf Tournaments/Corporate. 8% commission on Major Golf Chains, OEMs and Golf Cart Distributors.

Stage Two National Market Penetration: \$5900 per month plus 15% Dual Sales commission on Golf Pro Shops, Golf Specialty Stores and Golf Tournaments/Corporate. 8% commission on Major Golf Chains, OEMs and Golf Cart Distributors.

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Dual Sales and Inside Sales Forecast For USA Golf Market

8/6/2018

Monthly Figures		Stage One	Stage Two
Outbound Phone Calls		840	1680
Sales Presentations (35%)		294	588
Closing Ratio		12%	15%
Orders Generated		35.28	88.20
Average Order in Dollars		\$300	\$500
Sales Totals		\$10,584	\$44,100
FSR Referrals (10%)		29	59
FSR Closing Ratio on Referrals		65%	70%
FSR Orders Generated		19	41
FSR Average Invoice		\$500	\$750
FSR Sales from ISR Referrals		\$9,555	\$30,870
FSR Non-Referral Sales		\$25,000	\$45,000
NAM Sales to Major Chains, OEM & Distr.		\$10,000	\$40,000
Total Dollars Generated by Team		\$55,139.00	\$159,970.00
Cost of Goods Sold (50%)		<u>(\$27,569.50)</u>	<u>(\$79,985.00)</u>
Gross Profit (50%)		\$27,569.50	\$79,985.00
Expenses		Stage One	Stage Two
Project Management and Staffing Fee		<u>(\$3,900.00)</u>	<u>(\$5,900.00)</u>
Team Commission *		<u>(\$7,570.85)</u>	<u>(\$21,195.50)</u>
Net Profit		\$16,098.65	\$52,889.50
ISR = Company Dedicated Inside Sales Representative			
FSR = Independent Field Sales Representative			
NAM = National Sales Manager/National Account Manager			

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Dual Sales and Inside Sales Forecast For USA Golf Market				
8/6/2018				
Yearly Sales Figures		Year One	Year Two	Year Three
		Stage One	Stage Two	Stage Three
Individual ISR Sales		\$127,008.00	\$264,600.00	\$370,440.00
Inside Sales Team Members		1	2	3
Company ISR Team Total		\$127,008.00	\$529,200.00	\$1,111,320.00
FSR Sales from Referrals		\$114,660.00	\$370,440.00	\$555,660.00
FSR Sales from Non-Referrals		\$300,000.00	\$540,000.00	\$945,000.00
NAM Sales to Major Chains, OEM & Distr.		<u>\$120,000.00</u>	<u>\$480,000.00</u>	<u>\$900,000.00</u>
Sales Team Total for Wholesale		\$661,668.00	\$1,919,640.00	\$3,511,980.00
Cost of Goods Sold (50%)		<u>(\$330,834.00)</u>	<u>(\$959,820.00)</u>	<u>(\$1,755,990.00)</u>
Gross Profit (50%)		\$330,834.00	\$959,820.00	\$1,755,990.00
Project Management and Staffing Fee		<u>(\$46,800.00)</u>	<u>(\$70,800.00)</u>	<u>(\$94,800.00)</u>
Team Commission *		<u>(\$90,850.20)</u>	<u>(\$254,346.00)</u>	<u>(\$463,797.00)</u>
Net Profit		\$193,183.80	\$634,674.00	\$1,197,393.00
Return on Duran Group Fee Investment		413%	896%	1263%
ISR = Company Dedicated Inside Sales Representative				
FSR = Independent Field Sales Representative				
NAM = National Sales Manager/National Account Manager				
*Team Commission includes 15% Dual Sales Commission with 10% paid to Field Sales Rep,				
4% to Inside Sales and 1% to Management Team.				
8% commission on Major Golf Chains, OEMs and Golf Cart Distributors.				