

# Business plan and product

[Business](#)



**ASSIGN  
BUSTER**

Retail fashion is through times has gone through so many rapid changes with constant demand for new clothing products created by fashion designers.

However in a clothing line business, the specifications and descriptions of the designs and clothes are so general that they can fit more than one costume, which actually are quite different in nature from each other and this is solely dependent on the taste of people. We look this fact as a good opportunity to set up a fashion line especially in Sydney where the women and girls have the sexiness angle covered. The proposed business will be a fashion line. This proposed business is a start-up retail of uptown fashion line that reflects edgy but glamorous style.

The apparel is designed with individual sophistication with a modern spin. Targeted for women and girls, the brand includes styles such as Tops, Dresses, Pants, Shirts, Skirts, Jackets and accessories with a glamorous touch. While our initial goal is to open one boutique, expansion plans include potentially franchising our retail store and/or building a well-recognized brand name. In turn, we would hope to penetrate a sizable portion of the online retail market.

### **Ownership Structure**

The business will be operated as a partnership with Swasti Ariani and Richard D. Kitts as co-owners of fashion line.

The proprietors have chosen to operate as a partnership to gain benefits by combining their different skills and financial resources. And both are agreed to hold equal shares of ownership in the company.

### **Business Name**

The business will trade under registered name of " Gritty Glam".

<https://assignbuster.com/business-plan-product/>

**Business Location**

Gritty Glam fashion line will be located at 471 Kent St, Sydney. Our company is a retail establishment selling fashionable women's clothing. Our business operates within the retail industry and is classified under Australian and New Zealand Standard Industrial Classification (ANZSIC) Class 4251 - Clothing Retailing.

The gorgeous area includes numerous restaurants, an art gallery, coffee shop, candy store and a picturesque park in the town square. We have signed a one-year lease for a 120 square meters building. Also we have signed a one-year lease for Stitching Unit Building for warehouse ; production. Working with the property owner Interior Design consultant, we have secured a \$4, 000 to beautify the facade of the building to include painting, signage and a new awning. Only slight internal renovations will be required - such as the installation of dressing rooms and decorative items.

When considering the addition of wall mounts for merchandise, multi-level clothing displays as well as creative floor planning, this facility is large enough to support future growth. Additionally, we will be able to conduct all aspects of our business from this location. This includes deliveries and shipments, inventory management and administrative duties such as finance, buying and marketing

**Entry Strategy**

The business will be started up as a new operation. The reason for starting up as a new business is because we believe there are few uptown fashion lines that reflect edgy but glamorous styles in Sydney.

Gritty Glam fashion line recognizes the importance of marketing. And to that end, we plan to promote our retail business with an ambitious, targeted marketing campaign, which will include a grand opening event, local media coverage, print advertising and a direct-mail campaign. Our goal is to keep our marketing budget to no more than 3% of our gross annual sales, and we will partner with some Rising new-comers Band and artist in Entertainment Industry to endorse them in events as often as possible.

## 2. 6 Legal Requirements

The legal requirements to operate the business are:

- Business name registration with the Australian Securities and Investments Commission(ASIC)
- Home business use permit from the local council
- Registration for GST with the Australian Taxation Office
- Registration for Australian Business Number (ABN) with Australian taxation office (ATO).
- Business account with Commonwealth Bank

Legal requirements will continue to be met during the course of operation.

### **Business Objectives**

Gritty Glam line aim is to offer a great quality of clothes for women and girls that have an edgy but classy personal style.

Gritty glam store will cater women and girls in Sydney area, and position ourselves as a boutique store servicing in particular market specifically in range of age 18 - 30 yet affordable for their pocket. Our objectives in set up Gritty glam line are:

- Become only store with unique styles currently not found in Sydney
- Strong competitive advantage on quality and pricing
- Committed to make a positive impact on our customers through Monthly Online updates.

- To receive a 30% profit margin within the first year

### **Environment and Workplace Health**

Safety (WHS) We responsible to ensure the workplace are safety for all staffs and customers. Some of our responsibilities to support this are by:

- Provide training for all staffs, including warehouse staffs (Stitching Unit, Ironing Unit ; Merchandising) also Store staffs on how to use machines, materials, process ; how to report incidents.
- Provide regular evacuation training for staff so they understand emergency procedures, including evacuation instructions, assembly point locations and use of fire alarms and equipment.
- Provide Fire Extinguishers in both store building ; stitching unit building.

### **Financial aspects**

Gritty Glam fashion line requires \$149, 950 to launch successfully. We've already raised \$70, 000 through personal investments of the co-owners. We are currently seeking additional funding from outside angel investors and business loan. Start-up funds will be used store interior design, inventory (fabrics, accessories), stitching machines, and operating expenses such as rent & business registration. Our company will earn revenue from our customers' purchases of our products.

Gritty Glam's first-year income statement (see appendix) illustrates a profit margin of at least 35%, with a net income of \$71, 543 per annum – before taxes. We project our annual profits to reach \$200, 000 by year three. Our company will generate revenue from the retail sale of clothing and other accessories. First year sales are projected at \$81 63, 860, and we expect

sales to surpass \$1.6 million by the end of year three. We will achieve month-to-month profitability within the first year. Our business will collect immediate payment from customers, so our cash flow statement will be substantially similar to our income statement.

Our cash flow statement clearly demonstrates our ability to cover all bills

### **Monitoring**

To monitor our business, co-owners will directly handle day to day business at store and at the warehouse. As a retail establishment, Gritty Glam store will conduct business seven days a week from 9 am. to 7 pm. During the holiday seasons and during special events, store hours will be extended. In addition to the two full-time co-owners, two part-time employees will be hired to serve customers during those seasons. Our company will secure fabrics and accessories local manufacturer ; international manufacture located in Indonesia.

We'll also have access to Fabrics Elsegood, which is the largest wholesale textiles and fabrics in Australia. Additionally, we will work closely with our regional sales representative, endorse rising new comer artist & band on events as often as possible. We will also attend relevant pre-season fashion trade shows. To control costs, track inventory and manage stock levels, an inventory control system will be set in place. This will include the standard bar code with its related equipment and software. Staff will conduct annual inventory audits and hire outside auditors when necessary.

Accounting & Finance matters will be maintained using MYOB software.

## **MARKETING STRATEGY**

Gritty Glam fashion line will solely focusing on sell an edgy glamorous clothing product for young and women. We will closely follow generational fashion trends as well as our own customers purchasing preferences. Moreover, we will tailor our inventory to meet the needs of our special clientele. Our main staples are tops, dresses, jackets, Skirts, Shorts, and pants, but we will also offer some accessories such as belts, scarves, and hats. Profits will be earned via the sale of our products.

Our pricing structure will utilize a value-based pricing structure, which measures the value of our products to our customers such as easy access, quality, customer service and styles flattering to our target consumer. End of season sales, holiday and overstock sales, multi-buy savings and promotional coupons will be implemented at strategic intervals.

## **SWOT ANALYSIS**

We have identified the opportunities, challenges for the business in the next two years as following:

- Strengths
- Experience and understanding of the fashion industry for women and girls Unique shopping experience with exceptional customer service
- Great downtown location
- Large and growing consumer base
- Competitive prices with a special & made from good quality fabrics
- Provide products tailored to all shapes and sizes of women

### **Weaknesses**

- New line, could be unrecognized by customers at the first time

- Must follow the fashion trends & changes all the times
- Original ideas of design Opportunities
- Outstanding shopping experience by customers will lead to repeat business
- Expand the business into others apparel for example, Men's Apparels, Shoes & bags.
- Establish online store Endorse rising new comers artist will rise brand public awareness Threats
- High Competitions, New retail shops that may or may not open in the future
- Ideas/products copy by another competitors
- Lower prices given by competitors

## **INDUSTRY CONDITIONS**

Direct observations shows Sydney fashion retailer is dominated by megastores such as MYERS, DAVID JONES, ZARA, etc. Even the product prices offered by those multinational company is higher than other small company & the quality is sometimes not worth the price, but for the sake of brand image people don't mind to spent lot of money shop on that place.

Brand Awareness is the main important in promoting Gritty Glam fashion line. Market growth is in an upward motion, despite some of the latest economic downturns Statistics analysis reported by ABS show negative trends on clothing Industry. However, this business will always exist and will always be high on demand. By make a good promotion and marketing strategy, Gritty Glam fashion line will be able to compete with multinational



retailer as mentioned above because the retail fashion industry is a solid business with ever-changing styles and ever-present consumer demands.

## **PROMOTIONS**

Gritty Glam will follow an aggressive yet creative promotional plan but keep the marketing budget no more than 5% of our gross annual sales. This will allow us to focus directly on our target customer. Below are some promotions strategies we will do;

- Select Magazines that most read by women and girls to promote our product,
- Partner with top 10 most view by women and young TV programs to endorse the actress as often as possible. These strategic partnerships will allow us to piggyback on publicity for local events.
- Social Media, to keep our customers aware with our new arrival products & our promo programs
- Participate in fashion exhibitions events to promote our products and sell in the same time.
- Print out brochures and distributed throughout every houses/apartments in particular areas by Direct mail strategy every 4 months/ new seasons. Manage a direct mail program that will focus on our top 50% customers spotlighting any in-house sales and promotions
- Spot radio advertisements on two local FM radio stations that most heard by women and girls.
- Posting sale flyers on community bulletin boards.

## **STRATEGIES**

Since Co-owners have marketing backgrounds and recognize the significance of effective marketing. We expect our strategy to draw consumers into Gritty Glam from the very beginning. Strategies we will propose are:

- Hire a local Public Relation firm to help us develop and implement a strategic marketing plan and guide our publicity efforts in a cost-effective manner.
- Offer a 100 day return/exchange policy to build trust with our customers and maintain retention and loyalty.
- Hold a drawing for a \$50 shopping spree and fashion consultation. Entry collection will start at the grand opening and continue throughout the week. Names and contact information will be utilized for follow up marketing initiatives.
- Give 10% discounts for birthday member who shopping at Gritty Glam store.
- Finally, marketing opportunities will be continually utilized as we expand our business and our consumer numbers grow.

## **Appendix**

Gritty Glam fashion line is a small business and therefore requires a simple organizational structure.

Swasti Ariani & Richard D. Kitts will act as Co-Owners. Richard D. Kitts will manage the day-to-day operations including supervising staff, maintaining inventory and bookkeeping. He will be helped by one Part time Accounting Staff, Swasti Ariani will oversee the merchandise buying for the store as well as maintain a keen awareness of trends within the industry. Swasti Ariani will

also work with public relations firm to ensure superior marketing plans are in place and implemented.

Gritty glam will employ 1 designer, 2 pattern Makers & 2 Dress Makers that will be directly supervised by Swasti, a Store manager & 3 part-time associates. These positions are still vacant. Our sales associates will be paid an hourly wage, plus commission. Bonuses will be provided with each year of service following an annual review to encourage employee retention. All decisions are made in-line with the company objectives. Employee tasks are delegated based upon their level of expertise, creativity, strengths and weaknesses.

Resources	Quantity	Who to consult
Designer	1	Fashion School/career centre or Job Agency
Store Manager	1	Friends
Associate	3	Advertise on Job Seeker Website
Accountant-Part time	1	Advertise on Job Seeker Website
Pattern Maker	2	Fashion School career centre
Dress Maker	2	Fashion School career centre
Press/Iron man/Finishing	1	Advertise on Job Seeker Website
Total	11	-

## REFERENCES

1. Writing your plan for small business success. Ian Birt. Prentice Hall. 2007
2. Australian and New Zealand Standard Industrial Classification - [http://www.abs.gov.au/ausstats/\[email protected\]nsf/0/D23C85FE73B2A765CA25711F00146EF3?pendocument](http://www.abs.gov.au/ausstats/[email protected]nsf/0/D23C85FE73B2A765CA25711F00146EF3?pendocument)

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4. Clothing Retailing in Australia: Market Research Report - <http://www.ibisworld.com.au/industry/default.aspx?indid=407>
5. Australian Bureau Statistics. Analysis by industry - [http://www.abs.gov.au/ausstats/\[email protected\]nsf/Latestproducts/8501.0Main%20Features3Sep%202012?opendocument&tabname=Summary\[\]no=8501.0&issue=Sep%202012vm=&view=N](http://www.abs.gov.au/ausstats/[email protected]nsf/Latestproducts/8501.0Main%20Features3Sep%202012?opendocument&tabname=Summary[]no=8501.0&issue=Sep%202012vm=&view=N)