Business plan

Business

College Style Now - Financial Projections The Style Now mobile fashion boutique will for the first twelve months incur large expenses that include the following:

Item

Cost in US$ (per year)

Transport (fuel)

3000

Warehouse Rent

4800

Truck parking space

2000

Truck Maintenance

500

Administration

2500

Total

12800

Initial capital will have been used for advertising, stock production and management of the major expenses.

Income generation will highly depend on purchases and on the application download of the Style Now mobile app that will go for $5 consistently. Within the first one year, we expect over 2000 people to have downloaded the mobile application. This will generate an income of $10, 000 on a minimum. Some of these money will pay for the expenses above and also maintain the website.

The stock will then sell to make profit around Los Angeles through the Truck. Our profit margin per item is 50%. This means we sell every item at 150% from the price we obtained it for. This will generate income enough to pay up our sales workers a commission of 1. 5% per clothe and enable us to pay up for our remaining expenses. Though expenses may increase, it will only be up to 7% of the margin of profit created per year.

At the end of the year, we expect to have sold 80% of our stock worth our initial investment. This will be made possible through the already existent marketing strategies created for effectiveness. Thus our profit margin will rely more so on our sales. In three years, we expect to have tripled the stock and the trucks. We shall be able to afford two more trucks and cover our expenses as named above. This is because of the 50% profit per item.

Our investors will acquire 7. 5% profit of their initial investment semi-annually leading to a 15% profit annually.

Our projections dictate that within the first three years, we shall thus be making a profit of 30 - 35% our initial investment as a company.

References

Vargo, Deanna, and Ruth A. Bryant. " CREATING THE BUSINESS PLAN." Acute & Chronic Wounds: Current Management Concepts (2012): 21.