

**Business plan:  
dazzling diva  
accessory store  
essay**



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## Background Information

### Company Profile

Dazzling Diva retail stores will be the name of the business, registered under in Austin County to give it identity. The store will be located in Austin, Texas, at 5000 Mission Oaks Boulevard, East Oak Hill. Austin is the seat of Travis County and the capital city of Texas State. The population is over 850, 000, making it the 13th most populous city in the U. S. and fourth in Texas. The store will occupy about 900 square feet and will have a rest room, two dressing rooms, and a parking space. There are other businesses in this area, such flower shops, Burger King, restaurants, and cosmetic shops, which will create a continuous flow of traffic during and after business hours. The business will engage in retailing women's accessories, such as hats, jewelry, scarfs, purses, and shoes, among others. The goods will be sourced from both local and international market. These accessories will also be sold in local markets, fashion shows, and festivals by sales representatives of the company. Dazzling Diva is owned by three business management students from the University of Texas: Joan, Michael, and Smith. Joan owns 40 shares in the company, whereas both other partners, Michael and Smith, have 30 percent ownership in the company. The company will initially be set up as a partnership, but will transit into a limited liability company by the third year of operation. The overall goal is to provide quality products and services for the community. The main goal of Dazzling Diva is to improve the customers' look by making affordable and quality accessories available to the community. When the business is established, the community will be able to buy goods by a unit at a retail price. It will bring affordable and quality

accessories closer to customers. The retail markup in the clothing industry is as high as 45-65%, making it one of the most viable and profitable industries in the United States. It is also one of the most exciting and fastest growing sectors in the country with consumers always being on the look-out for unique clothing accessories.

### Mission, Vision and Strategy

Broad-based purposes. The aim of Dazzling Diva retail business is to provide quality products for Austin women, increase owners' wealth through business profits, satisfy customers with an outstanding customer service, and improve the welfare of employees through appropriate remunerations and rewards. The main goal is to provide products and services for the community, thus bringing benefits to customers, community, employees, suppliers, and the country's economy.

Mission. The mission is to provide quality and affordable products to customers in their locality.

Vision. To become the leading provider of quality female accessories in the state of Texas and its environs.

Objectives. To record an average of ten repeated purchases within two years of business. To increase market share by 15 percent every year, starting the second year of operations. To provide affordable and quality accessories to the community. To build customer relationship and referrals of 5 new clients in a year. Record a profit of 10 percent and above from year 2 of business.

### Benefits

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Implementing this project will benefit several stakeholders, namely business owners, community, employees, customers, vendors or suppliers of female accessories, and the country's economy. Business owners get adequate dividends on their investment through collected operational profits, which will be used for their financial needs in the current economic hardships. The business will provide employment opportunities to a number of people who will run the store. These include sales representatives, full-time shop attendants, accountants, and managers of the company. It will provide the market with a help of a number of suppliers in the clothing and footwear industry. These include middlemen and textile and footwear manufacturers. Customers are assured of quality and affordable products that will improve their looks through unique wears that can be acquired from Dazzling Diva stores. The community will benefit from easy access to goods they could not have accessed anywhere else, from new employment opportunities, and from charitable contributions from the company. The government will be able to get revenue from the business through taxation as from the second year of business.

### Management Structure

The founders have agreed to have Joan at the helm as the company's CEO during initial years of business operation before phasing into a private limited liability company. Mr. Michael will be a financial manager, and Smith will be in charge of operations. Joan is the majority shareholder with 40% stake, whereas Smith and Michael have 30% shares each. Upon graduating to limited liability corporation in the third year of business operation, new management will be recruited in a competitive process, as required by the <https://assignbuster.com/business-plan-dazzling-diva-accessory-store-essay/>

law. The three will then become a part of board members of the company. Joan is an experienced manager and has a Master's degree in Business Administration. She is currently taking business classes in enterprise management at Texas University. She also has a vast experience in management, having previously worked for textile milling company and now working as a manager in hospitality industry. Michael is a student and an accountant in a local retail store company, where he gained experience in a variety of accounting software. Smith too is a student of entrepreneurship management with vast experience in running small and medium scale retail businesses. Under them there shall be experienced and talented sales staff and a cashier to help in day-to-day running of the business. The sales representative will help in performing other duties like office cleaning and maintenance.

## Planning

Strategic planning sets the company's goals and sets out a detailed plan for implementing the set goal. Planning is the responsibility of the three Dazzling Diva's founder members of retail company. Planning in Dazzling Diva will entail the formulation of goals and objectives of the company as well as decision-making activities that the company will engage in to implement the set goals and objectives. The three owners will also determine the resources such as finance, equipments, human resources, and technology that are needed to execute organizational activities. Planning activities in Dazzling Diva include sales promotion to be done by shop attendant and sales representative, inventory management by cashiers and finance manager etc. The company intends to engage in community

activities like educational support for needy students, improvement of environmental condition to enhance its image among the locals and also be a responsible citizen.

### Organizing

Dazzling Diva's organizing activities will entail directing, motivating, and communicating with employees, individuals, and team to enable them carry out tasks effectively. The process of communication has to be effective in terms of clarity of language, communication channel, and the timing. The three leaders are expected to lead by example by being organized and practicing the set values, mission, and vision. This will motivate employees, thus making them more productive and empowered to achieve their targets. Communication will be a key component in Dazzling Diva and will be used to communicate the mission, vision, values, goals, and responsibilities from top managers downwards. It will also be used in resolving conflicts and problems in the organization. The Dazzling Diva's employees will be organized into teams; tasks and responsibility will be communicated via memos, e-mails, and meetings (Coulter, 2005).

### Leading

Leaders influence followers into performing organizational tasks. Leading in Dazzling Diva includes specifying and defining duties and responsibilities of employees, organizing jobs into units of work, allocating resources and creating a conducive working environment. The company CEO and two other founding members have adequate qualities and skills to excite workers into have a positive attitude towards the tasks assigned. Examples of

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management activities in Dazzling Diva will range from assigning responsibilities to employees and distributing resources to enable the employees accomplish assigned tasks. Managers will delegate tasks to employees at the hierarchy bottom to propel the company into achieving its vision, mission, and goals of portfolio growth, productivity, and profitability.

### Controlling

Controlling is about overseeing the performance of the company's employees. Its intension is to obtain feedback about the employees' progress, identify problems or discrepancies in performance, and then design a plan of actions to fix anomalies in performance. Control in "Dazzling Diva" will ensure that everything moves according to the plan and within the budget. The company will undertake quarterly assessment of employees' performance to give feedback on their progress in relation to set targets in order to track the overall company's progress. Other controls include use of the inventory tracking system to track available stock, arrival time, and sales at any given time. Point sale of software will be used to control the level of inventory, to provide up-to-date sales reports, and restock bimonthly.

### Functional and Operational Analysis

The business is expected to start operations during the Christmas season. This is the ideal period characterized by high levels of sales in clothing and accessory industry. The shop will operate from 8 AM to 9 PM on weekdays and Saturdays. It will offer one-on-one consultation services to its customers with the help of two shop attendants, one cashier, and three sales

representatives. One of the founder members, Michael, is in his final year of accounting undergraduate program and has deep knowledge of accounting software. He will be able handle company's accounting books in the initial years. The other two founders, Joan and Smith, have managerial experience and are currently taking business classes. They are technically qualified to manage the business. The store will be equipped with adequate inventory and offer great customer service to make shopping experience enjoyable. The business is expected to start generating a positive cash flow within two years of operation. Inventory tracking system will be used to track stocks on order, time of arrival, and what has been sold at any given time for purposes of planning stock purchases. Point of sale software will be used in controlling inventory level, where each sale will be recorded on spot. This will provide an up-to-date report on sales, costs, and profits by each sales representative and category of product for every day, month, and year. Restock will be conducted bimonthly, and placing of orders and delivery will each take one week.

### Cultural Issues

Organizational culture and values influence the performance and conduct of employees. Dazzling Diva's management will instill values of integrity, honesty, efficiency, commitment, and respect amongst its employees. These values will be combined with people's positive beliefs and environmental factors to form organizational culture of the company. Organizational culture and values are known to influence employees to perform organizational tasks and responsibilities. While establishing a new company, managers will endeavor to grow a culture that motivates its employees to perform.



Dazzling Diva's managers will conduct regular analysis of organizational culture to assess how they influence employees' and organizational performance. Efforts shall be made to grow an all-inclusive culture, which embraces workplace diversity. The three founders have experience and skills to inculcate a culture that is conducive for employees to perform well, favors implementation of the organizational strategies, and promotes team work.

### Financial Planning and Analysis

"Dazzling Diva" financial plan intends to achieve the following: Moderate financial growth with a steady cash flow. Marketing expenditures will be retained below 20% of sales. Residual profits will be used to expand the business. Reduction of overhead costs by 6% every year. To break the even in the second year and record a profit by end of the third year. Experience the financial growth rate of over 10% within three years of operation.

### Competitive Analysis

There are currently no other identical accessory stores within a radius of 20km from the selected location of Dazzling Diva store. The retail profit in clothing industry is between 45-65%, making it a viable and profitable industry. This is one of the most exciting and fastest growing sectors in the country with consumers always on the look-out for unique clothing accessories. Retail sector is the second largest sector after service industry in the U. S. It generates sales revenue of over \$2. 34 trillion and is growing at approximately 5% per year. This industry is a domain of small and medium size businesses. Customers' preferences for clothes have changed drastically for the past decade. This calls for a change in strategy to meet the changing

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demographics and buying patterns of today's customers. Main competitors in the market include retail stores such as Wal-Mart and boutiques situated within the neighborhoods. Major retail stores like Wal-mart have cost advantages gained from economies of scale and strong brand name developed over years of business operation (Kotler, 2003). Point of sale promotion strategies are used by competitors. These include flyers, animated displays, banners, streamers, pennants, and window displays in big retail stores. Dazzling Diva's competitive strength lies in the location of the business. It is situated within the affluent population, in a highly populous city amongst other businesses such as flower shops, Burger King, restaurants, and cosmetic shops, which will create a continuous flow of traffic during and after business hours.

### Segmenting, Targeting, and Positioning Strategies

The target market for Dazzling Diva products is women, who are employed or own a business, both young and adult, aged between 16 and 60 years, with disposable income of more than \$10, 000 per annum residing within Austin, Texas. Other groups will form secondary customers, who will be men buying accessories for their wives and girlfriends. Market will be segmented into three main groups. These are teenagers, working professionals, and housewives. Teenagers obsess about fashion and glittering accessories for fun and prestige. They will purchase the latest accessories in the market as well as jewelry for their friends as gifts for birthdays, weddings etc. Their source of income is from their parents and guardians. They will be able to purchase latest arrivals in the store that will be offered at an affordable price. Working professionals are employed young and adult women with

annual earnings of more than \$30, 000 and thus have a high purchasing power. They will purchase accessories for good looks, such as scarfs, jewelry, and purses. They are also the target market for the store's footwear, because they prefer having many different pairs of shoes for different kinds of outfits and can afford them. The third segment is housewives. This group is attractive because they have sufficient disposable income from their working husbands and time to shop. They love fashion and use reasonable amount of their time shopping for clothing, footwear, and jewelry. The store will be positioned as selling the look, a premier outlet of selling unique and fashionable accessories to the residents of Austin and its environs. While competitors are selling clothing and accessories, Dazzling Diva will be selling the stylish look. To implement this positioning, Dazzling Diva will have to offer a wide selection of decent quality and unique accessories in Austin and its environs to dress conscious consumers. This competitive edge is aimed at recognizing and serving the needs and demands of this niche market. It will also provide a wide selection of accessories ranging from hats, jewelry, and scarves to footwear and purses and offer pleasant consultation services to clients.

### Marketing Strategy

Marketing strategy will aim at creating awareness about the store and its products to the potential consumers in Austin, building a customer base, and developing customer loyalty and repeated referrals. The company intends to use targeted advertisements and promotional materials to reach potential customers. Direct sales in local markets and special events such as festivals, fashion shows, concerts, ceremonies, bazaars, conferences, conventions, <https://assignbuster.com/business-plan-dazzling-diva-accessory-store-essay/>

grand opening event, sports shows, trade shows, etc. Special events will not only generate revenue from direct sales, but also create awareness of the company and its products, create public goodwill, and enhance image and reputation among the community. Brand awareness tactics will include the use of outdoor billboards, company website, wall posters, media awareness, and use of banners. Other methods of building brand awareness are repeated referrals, direct marketing, branded employees' uniforms, and the unique store's style. The company will also engage in brand related contests, such as fashion and singing contests, attempt to use the word-of-mouth marketing, and use social media, company website, and corporate sponsorship of environmental causes (Daye, 2009).

Putting advertisements in the local newspapers, fashion sections of magazines commonly read by women, and local TV and radio stations will also be a part of the marketing strategy. Public Relation activities and corporate social responsibility (CSR) will be used to build brand name and reputation. The CSR activities will include environmental conservation, sponsoring community events, such as fashion contests, and charitable contributions to the moral causes within the community. The company will build strategic relationship or alliances with retail stores, providing complimentary accessories such as women clothes. This will enable them to combine their products, for instance, wedding gowns with footwear or jewelry, footwear and purses with official wears, scarves with casual wears etc. These alliances will enable the company to display its accessories across the allied partners' stores, thus enhancing public brand awareness. Collective advertisements are possible; hence, sharing the cost of

advertisement is possible too. Competitive pricing will be offered to gain more market share in the clothing and fashion market. Products will be offered in company's stores, local markets, and also during special events. Customers will have an option to order these accessories online and have them delivered at a reasonable fee.

### Sales Forecast

Sales forecasts are prediction of future sales and financial performance of the company. Sales are expected to rise gradually after the first year of business operation, as more customers become aware of the Dazzling Diva store's products and services. Going into the future, the company will phase into limited liability corporation. The table below shows forecasted sales for the first three years of business operation.

### Human Resources and Legal Environment

Human Resource (HR) management is crucial for the success of this business. There shall be a few employees in the organization at the company's start, which makes it easier for their development. The company intends to recruit aggressive, talented, and skilled salespersons. HR strategies will ensure that employees are satisfied, and that the abilities of employees are utilized properly to achieve the organization's objectives. Appropriate reward systems will motivate employees to perform. Managers will create remunerations based on the employees' qualifications and performance and provide a favorable working environment. The company will embrace workplace diversity to benefit from it and comply with the labor laws. Managers will conduct an orientation of the new employees to brief

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them about the company, fellow employees, and their duties and responsibilities in the organization to avoid duplication of tasks. Training programs shall be designed to help employees, making them more competent and updated about new technologies. Employees' performance appraisal shall be done after every quarter of the year to identify their problems and needs.

### Legal Factors

Legal factors have greater impact on the organization. Labor laws restrict leadership from imposing certain tasks to employees, such as working long hours and in harsh environment without the protective uniform. Unfriendly taxation laws can limit the financial capacity of the company. Also, ethical issues influence employees' performance and participation in organizational tasks and activities. Dazzling Diva's managers are experienced and will comply with the occupational health and safety law to gain the trust of their employees. Occupational health and safety regulations shall be enforced in the company with all employees insured against the workplace injury.

### Research and Statistical Analysis

#### Planning

Research was conducted in the initial stages of development to gain an insight into the behavior of potential customers from Austin, the area of business operation. A survey was conducted, and information was collected using questionnaires from a randomly selected sample of customers. The purpose of the study was to provide an insight into the purchasing behaviors

of targeted customers, their level of income, tastes, and preferences. The target population for the study was female residents of Austin, both young and adult, and having a high purchasing power. Stratified random sampling was used to select a study sample. The population was divided into three groups: working professionals, housewives, and teenagers. A sample size of 45 women representing the population was used in the study. Primary data was collected using closed- ended questionnaires designed by a qualified statistician. The questions were divided in two parts. The first part sought demographic information of the respondents, and the second section focused on research questions. Secondary information was obtained from previous studies, peer review journals, and books on marketing and consumer behavior. Printed questionnaires were administered to sampled respondents by a team of field researchers and collected after three days. During the administration of the questionnaires, the respondents were explained about the research study and were asked to answer all the questions.

### Data Analysis

The data gathered will be collected, encoded by the computer, and statistically treated using the Excel software, which will generate graphs for interpretation. The findings revealed a number of characteristics about the prospective consumer of Dazzling Diva's accessories, which was used as the basis to formulate business and marketing strategies. It revealed three main classes of customers, namely: working professionals, housewives, and teenagers, as well as demonstrated their products of choice. The study

provided insightful information about the customers, which was valuable for development of this plan.

### Ethical Factors

Consumers have the right to quality and fair price, and terms of agreement should be respected to the latter. This is what Dazzling Diva will emphasize. That is to provide quality products at a fair price. Steps shall be taken to ensure compliance to ethical standards. The company will be a good citizen and promptly pay taxes, giving back to the society through corporate social responsibilities. The company shall make regular reporting of financial statement in accordance with the law and accounting standards. Fair trading practices and treatment of employees will be guaranteed, regardless of their nationality. The company shall develop and implement professional code of conduct to be followed by all employees.

### Conclusion

This plan is detailed and realistic and provides a clear picture about the outlook of Dazzling Diva Company in its initial years of business operation. This will be a small to medium size company with a goal of improving the looks of people in the community. It targets female customers residing in Austin and its environs, who have been travelling to distant parts of the city in search for accessories. Main issues of the business plan include the profile of the new business and financial and marketing plan for the business. The strategies are well suited, industry is viable, and resources are adequate to start and propel the company into the bright future. The business stands high chances of succeeding in the proposed market, but its success will



heavily depend on the ability of entire team to attract and retain customers. Implementation of this marketing plan will no doubt move the organization forward. The management is capable and willing to carry out the plan. There is no doubt that goals and objectives can be realized. However, this will require commitment from all employees of the company.