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### 6.0 EXECUTIVE SUMMARY (PART I)

The tailoring or fashion design industry is an industry that is highly thriving in all countries of the world. Africa for instance has loads of players in the tailoring or fashion design industry. Although the average tailoring shop runs this type of business on a small scale, there are medium scales to big time investors who also operate standard fashion Design Companies.

These are the organizations that own their own standard industrial machines and over a dozen employees and also engage in exportation of well – make African attires to countries across the world. In most cases, they ensure that they target countries with robust African communities.

African attires are indeed one of the identities of people of African descent and no matter the part of the world that they reside, most Africans will do all they can to identify with their roots by adorning African attires. Some white folks also put on African attires hence the market for tailoring cum fashion designers in Africa is all encompassing.

The tailoring / fashion design line of business is indeed a thriving line of business and pretty much active in Nigeria. It generates several millions of US dollars annually from several registered and unregistered small – scale, medium scale and big fashion design / tailoring business scattered all around. This line of business is responsible for the employment loads of people directly and indirectly.

Any aspiring entrepreneur that is considering starting tailoring / fashion design business whether on a small scale or in a large scale should ensure that he or she conducts thorough market survey and feasibility studies so as to get it right. The truth is that, this type of business do pretty well when it is strategically positioned. Any location that is prone to human and vehicular traffic is ideal for such business.

Over and above, tailoring / fashion design business is a profitable business venture and it is open for any aspiring entrepreneur to come in and establish his or her business; you can chose

to start on a small scale or a large scale with robust distribution network all across Nigeria and the global market.

ACR Tailoring services will provide world class services in Nigeria and the globe.

The project is to be fully implemented with an investment of ₦4,000,000 made up of ₦3,000,000 for fixed assets and ₦1,500,000 for working capital.

## **7.0 BACKGROUND (PART II)**

- **Introduction**

My business produces T-Shirts with hand-painted or silk-screen designs. It retails them to individual customers and also wholesales them as unique uniforms for associations and businesses.

I am in the specialty clothing industry. Clothing is a difficult industry to be in, because in order to have demand, the clothes must be fashionable, and fashion changes year by year. However, clothing is also a good industry to be in, because it is a basic need. In addition, I am part of an

industry which makes uniforms. My uniforms cater to small and medium sized businesses or small public sector offices and schools.

- **Vision and mission statements**

### **Our Vision Statement**

Our vision as a Tailoring / fashion design business is to own our own a standard and highly profitable business that will engage in making African attire for both male and female all across Nigeria and to other countries of the world.

### **Our Mission Statement**

Our mission is to establish a standard and world class Tailoring / fashion design business that in our own capacity will favorably compete with leaders in the industry. We want to build a Tailoring / fashion design business that will be listed amongst the top 5 African fashion designers / brands in Nigeria and West African Coast.

- **Ownership**

ACR Tailoring services Ltd. is wholly owned by Afunanya Chinenye Ruth

- **Legal status**

ACR Tailoring Services Ltd. will be fully registered as a Limited Liability Company with the Corporate Affairs Commission

- **Products/services**

We will produce and sell T-Shirt products on both retail and wholesale basis. We have 5 standard designs, which are painted or silk-screened onto the front of white or colored T-

Shirts. We can also create a custom designed T-Shirt for an individual order. This carries the highest price, because of higher labor costs. The silkscreen T-Shirts are sold primarily to associations or businesses, as uniforms.

Others are:

- Designing and Sewing Female African Dresses
- Designing and Sewing Male African Attires
- Designing and Making Dresses for African Tradition Marriages (Couples, Bridal trains and grooms men et al)
- Designing and Making African attires for children
- **Location of the business**

ACR Tailoring services Ltd. is located on No 13 Alakija Street, Lagos:

- This is a prime location because the competition in the area is minimal.
- It is easily accessible to customers and facilities required for the business; like manpower and adequate power supply of electricity which are paramount for the smooth sail of the business.
- **Industry trend and analysis**  
Information from survey shows that consumers' expenditure for Tailoring services in Lagos and its environs rose during the end of the year 2016. The increasing number of

new establishment has shown a significant growth in this sector. Tailoring services spending is around 50% of total consumer spending.

- **Key success factors**

To succeed in this business we are poised to:

- Create unique, innovative and entertaining services that will differentiate us from the rest of the competition.
- Control costs at all times, in all areas and implement a conservative approach to growth policy.
- Provide 100% satisfaction to our customers and maintaining the level of excellent services among the other competition.
- Get access to high - traffic shopping malls near the target market.
- Promote good values of company culture and business philosophy.

## **8.0 MARKET (PART III)**

- **Nature, location, size and attribute analysis and Sales and market share analysis**

ACR Tailoring Services Ltd. is established with the aim of maximizing profits in the Tailoring / fashion design line of business both in Lagos State and throughout key cities in Nigeria, America and of course in some countries of the world. We are going to go all the way to ensure that we do all it takes to sell our African attires both in retail and wholesale to a wide range of customer.

ACR Tailoring Services Ltd. will generate income by;

- Designing and Sewing Female African Dresses
- Designing and Sewing Male African Attires
- Designing and Making Dresses for African Tradition Marriages (Couples, Bridal trains and grooms men et al)
- Designing and Making African attires for children

### **Sales Forecast**

One thing is certain when it comes to sewing / fashion designing business, if your business is centrally positioned and easily accessible, you will always attract customers cum sales and that will sure translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Michigan and every other countries of the world where we intend exporting our African attires to and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six month of operations and grow the business and our clientele base.

We have been able to critically examine the sewing / fashion designing line of business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions that are peculiar to startups in Michigan.

Below are the sales projection for Ola Clem® Fashion House, Inc., it is based on the location of our business and other factors as it relates to small scale and medium scale but standard sewing / fashion designing company start – ups in Michigan;

- **First Fiscal Year-:** 250,000
- **Second Fiscal Year-:** 450,000
- **Third Fiscal Year-:** 600,000

**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

- **Key competitors and competitive edge**



First and foremost, the fact that anybody with a business cum sewing skills can decide to open Tailoring / fashion design business means that the business is open to all and sundry hence it is expected that there will be high – level competition in the industry. There is hardly any busy community that you won't find several Tailoring / fashion designing business especially on a small scale level.

As a standard fashion design / Tailoring company, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers. Hence we will not hesitate to adopt successful and workable strategies from our competitors.

We are going to be one of the very few Tailoring / fashion designing company in Nigeria that will also engage in wholesale distribution of African attires all across America and also export to other countries of the world.

Another competitive advantage that we have is in the fact that we have state of the art facility and industrial sewing machines that has positioned us to meet the demand of African attires in Michigan even if the demand tripled over night or if we have a massive order to meet and emergency need.

Another factor that counts to our advantage is the background of our Chief Executive Officer; she has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top flight fashion designers in Nigeria. We are not ignoring the fact that our team of highly qualified and dedicated workers (tailors and support staff) will also serve as strength for our organization.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (startups Tailoring / fashion design companies) in the industry,

meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

- **SWOT analysis**

Due to our drive for excellence when it comes to running a standard and world – class Tailoring / fashion design business, we were able to engage some of the finest business consultants in Lagos and Aba – Nigeria to look through our business concept and together we were able to critically examine the prospect of the business and to assess ourselves to be sure we have what it takes to run a standard Tailoring / fashion design business that can compete favorably not just in Nigeria but also in the West African Coast.

In view of that, we were able to take stock of our strengths, our weakness, our opportunities and also the threats that we are likely going to be exposed to in America and also in other parts of the world that we intend selling our African attire. Here is a preview of what we got from the critically conducted SWOT Analysis;

- **Strength:**

Our strength lies in the fact that we have state of the art facility and industrial sewing machines that has positioned us to meet the demand of African attires in Diaspora even if the demand tripled over night or if we have a massive order to meet and emergency need.

Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top flight fashion designers in

Nigeria. We are not ignoring the fact that our team of highly qualified and dedicated workers (tailors and support staff) will also serve as strength for our organization.

- **Weakness:**

We do not take for granted the facts that we have weaknesses. In fact, the reality that we are setting up a Tailoring / fashion design business in a city with other smaller and larger Tailoring / fashion design businesses might likely pose a challenge for us in breaking into the already saturated market in Nigeria.

In essence our chosen location might be our weakness. But never the less, we have plans to launch out with a big bang. We know with that, we will be able to create a positive impression and we have a proper handle when it comes to building on already gather momentum.

- **Opportunities:**

The opportunities available to us are unlimited. Loads of people in Lagos state put on Africa attire for various occasions and all what we are going to do to push our products to them is already perfected. Michigan is just ideal for this type of business simply because of the economy of scales.

- **Threat:**

The threat that is likely going to confront us is the fact that we are competing with already established Tailoring / fashion design businesses in Nigeria and also there are other

entrepreneurs who are likely going to launch similar business within the location of our business. Of course, they will compete with us in winning over the available market.

Another threat that we are likely going to face is unfavorable government policies and economic downturn. Usually economic downturn affects purchasing / spending powers and unfavorable government policies can hinder the importation of some sewing materials from other parts of the world.

## **9.0 MARKETING PLAN**

### **Market Trends**

It is common trend in the Tailoring/ fashion design line of business to find Tailoring / fashion design companies positioning their business in locations and communities where they can easily have access to affordable Tailoring materials and also available market.

If you make the mistake of positioning this type of business in a location where you would have to travel a distance before you can access sewing materials in commercial quantities or where people who want to make dress would have to struggle before they can locate your shop, then you would have to struggle to make profits and maintain your overhead and logistics.

So also, another trend in this line of business is that most registered and well organized Tailoring / fashion design companies look beyond the market within their locations or even America; they are involved in packaging and exporting African dresses and clothes to communities abroad with robust Nigerian cum African communities. Europe and Canada and most countries in Europe are their major targets.

Lastly, in the bid to stay afloat and continue to make profits from this line of business, most standard businesses that are into sewing African attires tend to work hard to ensure that they

also produce what is popularly called 'English Wears' that can favorably compete with shirts, trousers, T – shirts, Polo and dresses et al that are produced abroad. With that, it is easier for them to maximize profits and grow the business.

- **Market segmentation**

We will be primarily targeting customers in the major area. We will start off by offering services to the residents but will also aim at extending our service offering to the residents of nearby towns.

We will be targeting both full-time and part-time employed customers who would value the convenience of our service.

- **Target market**

When it comes to sewing clothes, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people, but all those who put on African attires and also all those who would want to try them out.

One thing is certain; there are no restrictions to the demographic and psychographics composition of the target market for African attires in America and the West African Coast. This goes to show that the target market for African attire is wide and far reaching, you can create your own make niche yourself to serve a specific purpose.

In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in retailing and wholesale distribution cum exporting of African attires to the following groups of people;

- Government Officials
- Religious Leaders
- Celebrities
- Corporate Executives
- Groups
- Wedding Planners (Traditional Dresses / Clothes for Bride, Groom and their train)
- Men, Women and Children in Michigan and other cities in America
- America cum African communities in the United States of America, Canada, and Europe
- Small scale businesses that are into sales and exporting of African attires.
- **Market positioning strategy**

As a new tailor shops, we must work hard to gain the support of the local communities. Compared to other kinds of businesses, tailor shops are highly local, i.e. they mainly market to customers in the local area. If local residents don't view your startup favorably, it could be difficult to achieve lasting success.

- **Market mix implantation tools**

**Product:** with standby power source we will provide our services from 7am to 10pm daily.

**Price:** Normally, new businesses set their initial prices lower than their competitors. In our situation however, the business has higher costs for our delivery service and promotions to increase customers' awareness and establish our brand name. We will set our prices to match those of our competitors.

**Promotion:**

- Advertise our new service in the local press, the Internet social Medias, public areas such as buses and train stations, shopping centers and supermarkets etc., and drop advertising material into families' mailboxes.
- Offer 10% discount as an incentive for customers who sign one-year contracts.

Issue coupons with lower price for loyal customers

- **Alliances**

There will be no alliances

- **Marketing calendar and budget**

The sales forecast gradually increases over the year 2017 and comprises total sales of \$324,700. However, in the last three months, the sales remain almost level due to possible seasonal factors in the industry. Yearly forecasts are summarized in the table below.

	<b>Sales from ticket</b>	<b>Sales from other services</b>	<b>Total Sales (₦)</b>
Year 1	200000	400000	600000
Year 2	500000	200000	700000
Year 3	700000	300000	1000000

- Note: To push sales, 2% discount is given to regular customers

## **10.0 PRODUCTION PLAN (PART IV)**

ACR Tailoring Services Ltd. is a standard Tailoring / fashion design company that is positioned to make profit and favorable compete with leaders in the industry and we are going to do all that is permitted by the law of the Federal Republic of Nigeria to achieve our business aims and ambition. Our products and services offering are listed below;

- Designing and Sewing Female African Dresses
- Designing and Sewing Male African Attires
- Designing and Making Dresses for African Tradition Marriages (Couples, Bridal trains and grooms men et al)
- Designing and Making African attires for children
- **Machinery, equipment and other requirements**



Purchase of industrial tailoring machines, weaving machines, tailoring materials and accessories, furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV

- **Technology**

Modern machineries and equipment will be deployed for efficient and effective services

- **Quality assurance and standardization**

We will maintain at all time quality of international standard.

## **8.0 MANAGEMENT AND ORGANIZATIONAL STRUCTURE**

- **Shareholders and directors**

Ordinarily, we would have succeeded in running a tailoring business with few employees, but as part of our plan to build a top flight tailoring / fashion design business in Nigeria, we have perfected plans to get it right from the onset which is why we are going the extra mile to ensure that we have competent employees (tailors and support staff) to occupy all the available positions in our company.

The picture of the kind of tailoring / fashion design business we intend building and the business goals we want to achieve is what informed the amount we are ready to spend to ensure that we build a business with dedicated workforce and robust distribution network.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at ACR Tailoring Services Ltd;

- Chief Executive Officer (Owner)

- Human Resources and Admin Manager
- Sales and Marketing Officer
- Accountants / Cashiers
- Professional Tailors / Fashion Designers
- Customer Service Executives

### **Roles and Responsibilities**

#### **Chief Executive Officer – CEO (Owner):**

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Manages fashion exhibition for the organization in various countries
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals

- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

### **Human Resources and Admin Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily business activities.

**Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritize, and reach out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with customers
- Develops, executes and evaluates new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

**Professional Tailors / Fashion Designers**

- Responsible for designing and tailoring female African dresses
- Responsible for designing and sewing male African attires
- Responsible for designing and making dresses for African Tradition Marriages (Couples, Bridal trains and grooms men et al)
- Responsible for designing and making African attires for children

- Handles any other duty as assigned by the Human Resources and Admin manager.

### **Accountant / Cashier**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

### **Client Service Executive**

- Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the manager in an effective and timely manner
- Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- Receives parcels / documents for the company
- Distribute mails in the organization
- Handles any other duties as assigned by the human resources and admin manager
- **Organization's value and norms**

ACR Tailoring Services Ltd., will adopt the following norms and values.

- a. To always be available to her customers.
- b. To uphold her integrity always.
- c. To see her employees as her most valuable assets.
- d. To offer the best for the benefit of the customers.
- e. To do her business within the Federal state and local government laws.

## **7.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES (PART V)**

- **Legal issues**

ACR Tailoring Services Ltd is in the process of being registered with the Cooperate Affairs Commission and will also be registered with other regulatory bodies for special licenses which are required for the operation of our business, every attempt will be made to get all necessary permit and licenses.

- **Regulatory issues**

ACR Tailoring Services Ltd, will obey all extant laws and all constituted authority in Nigeria.

- **Environmental issues**

We are committed to proper waste disposal and recycling in order to avoid causing environmental problems of any kind.

## 9.0 FINANCIAL PLAN (PART VI)

- **Cost of machinery, equipment and others**

S/n	Capital Items	Amount (₦)
1.	Machinery, Equipment and others	3, 000, 000
2.	Working Capital Requirement	1, 500, 000
	<b>Total</b>	<b>4, 500, 000</b>

- **Sales plan**

Particulars	Year 1 (₦)	Year 2 (₦)	Year 3 (₦)
Expected Sales	1900000	6000000	7000000
Less % discount	19000	60000	70000
Net Sales	1880000	5940000	6930000
Expenses	1000000	1500000	1500000



- **Costs plan**

Source	Amount (₦)
Equity Contribution	4,000, 000
Bank Loan	1, 500, 000

- **Working capital projection**

Table: shows working capital projection

Working Capital items	Year 1(₦)	Year 2 (₦)	Year 3 (₦)
tailoring machines, weaving machines,	300, 000	350, 000	500, 000
Salaries / Wages	350, 000	360, 000	365, 000
tailoring materials and accessories,	70, 000	72, 000	72, 000
Electricity Bill	60, 000	61, 000	62, 000
Repairs / Maintenance	100, 000	102, 000	102, 000
Fuel / Gas / Diesel	80, 000	82, 000	83, 000
Administration	500, 000	500, 000	500, 000

Miscellaneous			
Rent	800, 000	800, 000	800, 000
furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV	100, 000	100, 000	105, 000

- **Start-up capital required**

The total cost of the project is ₦4, 000, 000. This is made up of ₦3, 000, 000 in fixed capital and ₦1, 000, 000 in working capital.

- Proposed financial structure

<b>Cash in</b>	<b>Year 1 (₦)</b>	<b>Year 2 (₦)</b>	<b>Year 3 (₦)</b>
Equity	4,000, 000		
Bank loan	1,500,000		
Net Profits		1900000	7000000
Depreciation		19000	70000

<b>Total Cash in</b>	<b>5,500,000</b>	<b>1881000</b>	<b>6930000</b>
Cash out			
Equipment & Others	3, 000, 000		
Working Capital	1, 500, 000		
Increase / Decrease in Cash		70, 000	270000
Loan Repayment			350, 000
Dividends			380, 000
<b>Total Cash Out</b>	<b>4, 000, 000</b>	<b>1881000</b>	<b>1500000</b>
Opening Balance	Nil	Nil	490, 000

- **Loan repayment and interest payment schedule**

It is expected that the loan would attract an interest of 10% and the funds are available to pay monthly interest as well schedule repayment of the principal amount

Table Interest and repayment schedule

<b>Year</b>	<b>Loan</b>	<b>Repayments</b>	<b>Interests</b>	<b>Loan</b>
1	1,500000	Nil	84, 000	1500000
2	3500000	900, 000	160, 000	1500000

3	2000000	2000000	60,000	Nil
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- **Depreciation/depreciation schedule**

This annual depreciation is calculated using the straight line method.

Table: Schedule of Annual Depreciation

S/n	Item	Cost (₦)	Life Span	Scrap Value	Amount (₦)
1.	tailoring machines, weaving machines	160,000	20	140,000	27,400
2.	tailoring materials and accessories,	100,000	20	50,000	2,500
3.	Lister Gen. set	400,000	5	200,000	40,000
4.	Computers and other office appliances	40,000	9	23,000	3,000
5.	Table & chairs	500,000	10	400,000	10,000
6.	Racks and shelves	500,000	5	400,000	20,000
7.	Air conditioners	600,000	10	540,000	6,000
	<b>Total</b>				<b>108,900</b>

- **Cash flow projection**

Table: Profit and Loss

<b>Particulars</b>	<b>Year 1 (₦)</b>	<b>Year 2 (₦)</b>	<b>Year 3 (₦)</b>
Expected Sales	1900000	6000000	7000000
Less % discount	19000	60000	70000
Net Sales	1880000	5940000	6930000
Expenses	1000000	1500000	1500000
Cost of running service	1200000	1400000	1500000
Utilities	27000	274000	276000
Salaries & wages	100000	100000	100000
Total Expenses	3,700000	3,750000	3850000
Profit before int & tax less interest	800,000	1000000	1500000
Profit after tax less Depreciation	800000	2000000	2000000
Net Profit	600000	1000000	1000000

- **Projected balance sheet**

Table: Balance Sheet

Pro Forma Balance Sheet			
	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Cash	84,792	193,536	369,586
Inventory	4,008	5,085	6,610
Other Current Assets	0	0	0
<b>Total Current Assets</b>	<b>88,800</b>	<b>198,621</b>	<b>376,196</b>
<b>Long-term Assets</b>			
Long-term Assets	25,000	25,000	25,000
Accumulated Depreciation	4,500	8,500	13,500
<b>Total Long-term Assets</b>	<b>20,500</b>	<b>16,500</b>	<b>11,500</b>
<b>Total Assets</b>	<b>109,300</b>	<b>215,121</b>	<b>387,696</b>
<b>Liabilities and Capital</b>			
	Year 1	Year 2	Year 3
<b>Current Liabilities</b>			
Accounts Payable	15,289	15,799	20,522

Current Borrowing	0	0	0
Other Current Liabilities	0	0	0
Subtotal Current Liabilities	15,289	15,799	20,522
Long-term Liabilities	19,666	19,666	19,666
Total Liabilities	34,955	35,465	40,188
Paid-in Capital	40,000	40,000	40,000
Retained Earnings	(23,000)	34,345	139,655
Earnings	57,345	105,310	167,853
Total Capital	74,345	179,655	347,508
Total Liabilities and Capital	109,300	215,121	387,696
<b>Net Worth</b>	74,345	179,655	347,508

## 9.0 LIQUIDITY RATIOS

- **Leverage Ratios**

Table: Ratios

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	n.a.	30.00%	30.00%	4.37%
Percent of Total Assets				



Inventory	3.67%	2.36%	1.70%	4.37%
Other Current Assets	0.00%	0.00%	0.00%	38.35%
Total Current Assets	81.24%	92.33%	97.03%	55.47%
Long-term Assets	18.76%	7.67%	2.97%	44.53%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	13.99%	7.34%	5.29%	22.38%
Long-term Liabilities	17.99%	9.14%	5.07%	24.56%
Total Liabilities	31.98%	16.49%	10.37%	46.94%
Net Worth	68.02%	83.51%	89.63%	53.06%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	89.02%	89.02%	89.02%	100.00%
Selling, General & Administrative Expenses	71.36%	64.07%	58.43%	77.90%
Advertising Expenses	0.00%	0.00%	0.00%	2.06%
Profit Before Interest and Taxes	25.84%	36.11%	44.06%	2.41%
Main Ratios				
Current	5.81	12.57	18.33	1.70
Quick	5.55	12.25	18.1	1.28

- **Loan Coverage Ratios, Profitability Ratios and Break Even Points**
- Break Even Points

Total Debt to Total Assets	31.98%	16.49%	10.37%	61.40%
Pre-tax Return on Net Worth	110.19%	83.74%	69.00%	4.39%
Pre-tax Return on Assets	74.95%	69.93%	61.85%	11.38%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	17.66%	24.95%	30.59%	n.a
Return on Equity	77.13%	58.62%	48.30%	n.a
Activity Ratios				
Inventory Turnover	11.85	10.19	10.30	n.a
Accounts Payable Turnover	9.75	12.17	12.17	n.a
Payment Days	27	30	27	n.a
Total Asset Turnover	2.97	1.96	1.42	n.a
Debt Ratios				
Debt to Net Worth	0.47	0.20	0.12	n.a
Current Liability. to Liab.	0.44	0.45	0.51	n.a
Liquidity Ratios				
Net Working Capital	\$73,511	\$182,821	\$355,674	n.a
Interest Coverage	42.66	77.50	122.93	n.a

Additional Ratios				
Assets to Sales	0.34	0.51	0.71	n.a
Current Debt/Total Assets	14%	7%	5%	n.a
Acid Test	5.55	12.25	18.01	n.a
Sales/Net Worth	4.37	2.35	1.58	n.a
<b>Dividend Payout</b>	0.00	0.00	0.00	n.a

## **10.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIT STRATEGY (PART VII)**

Will the implementation of this project attracts and enacts the business to compete with.

- a. Provision of basic utilities like electricity is not guaranteed.
- b. The plan to use reliable mitigates of checkmating the identified risk.

- **Contingency Plan**

Plan will be made to use reliable mitigates of checkmating the identified risk.

- **Exit strategy**

No exit is planned, rather diversification will be pursued.

## **11.0 OTHER CONSIDERATIONS, CONCLUSION, AND RECOMMENDATIONS (PART VIII)**

From the above analysis, it is certain that the promoters of this project will never regret their participation in this project. The tailoring service will as well offer a great economic contribution to the economy where it operates and spread a greater job opportunities to the nation and also will be consistent with the federal and state government policy for commercial business creation.

- **Commercial viability**

The project is believed to be commercially viable from the above stated analysis through projections, sales, profits and cash flow positions.

- **Conclusions and recommendations**

The project is highly recommendable for sponsorship and implementation.

## **APPENDIX**

### **Check List / Milestone**

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Purchase of Insurance for the Business: **Completed**

- Leasing of a facility and renovating the facility as well: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from family members: **Completed**
- Applications for Loan from the bank: **In Progress**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of industrial tailoring machines, weaving machines, tailoring materials and accessories, furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In progress**
- Creating Official Website for the Company: **In Progress**
- Creating our catalogue – **In Progress**

- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **Secured**
- Opening party / launching party planning: **In Progress**
- Establishing business relationship with vendors – wholesale suppliers / merchants of tailoring materials and Africa attires et al: **In Progress**