

UNIVERSITY OF NIGERIA NSUKKA

DEPARTMENT OF HOME SCIENCE, NUTRITION AND DIETETICS

**A BUSINESS PLAN SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF THE COURSE: CED342**

(BUSINESS DEVELOPMENT AND MANAGEMENT)

TOPIC: ONYITEX FASHION AND DESIGNING

BY

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2014/190929

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PART I

1.0 EXECUTIVE SUMMARY

1.1 Name of business: Onyitex Fashion and Designing

1.2 Legal form of business: Sole partnership business

1.3 Type of business: Boutique retailing

1.4 Phone number: 08107425807

1.5 Concise description of the business: Dealers on all types of women clothes.

1.6 Customers: individuals

1.7 Owner: Eze Onyebuchi Euphemia

1.8 Address: Nchatacha Obinagu Emene

1.9 Start up capital: N1,000,000

1.10 Source of capital : a. owner's capital: b .loan: N500,000

1.11 Profitability: year 1,2 and 3 are 5,260,000, 5,340,000, 5,440,000 respectively

PART II

2.0 INTRODUCTION

Onyitex Boutique is a start-up retail establishment that will sell fashionable clothing to women of the Baby Boom generation. Onyitex Boutique will be located in downtown in Emene, Enugu which is a popular retirement and tourist destination. While my initial goal is to open one boutique, expansion plans include potentially franchising my retail store and/or building a well-recognized brand name. In turn, I would hope to penetrate a sizable portion of the online retail market.

2.1 VISION

To be the best, most outstanding boutique in women's fashion and designing.

2.2 MISSION

Selling of different varieties of women's clothes to satisfy my customers.

2.3 THE COMPANY

The business will be a sole proprietorship business

2.4 KEY SUCCESS FACTOR

- a. The main promoter has undergone training in entrepreneurship
- b. Existence of reliable market outlets
- c. Availability of capital

2.5 PRODUCTS & SERVICES

The fashion and design industry tends to be overly youth focused. However, by closely following generational fashion trends as well as my own customers purchasing preferences, I will tailor my inventory to meet the specific needs of my clientele. I will solely focus on the my styles, colors and fits to flatter the lady Baby Boomer/ Meeting the needs of her figure will be my specialty.

2.6 MARKET ANALYSIS

The total sales reported in the Enugu retail industry in 2013 (including food service and automotive) exceeded 4 million naira. There are roughly 1 million Baby Boomers, half of which are women. In Emene, the current population is just fewer than 40,000. 54 percent of the total population is women who have a median age of 48. The median income is N38, 600. I will initially seek customers locally, but will increase my reach as I build my brand and secure my image.

2.7 STRATEGY & IMPLEMENTATION

Onyitex Boutique recognizes the importance of marketing. And to that end, I plan to promote my 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. My goal is to keep my marketing budget to no more than 5% of our gross annual sales, and I will partner with local organizations such as the Chamber of Commerce and Downtown Merchants Association as often as possible.

2.8 MANAGEMENT

Onyitex Fashion and Designing, specialized on boutique is a sole proprietorship. It is wholly owned by Eze Euphemia Onyebuchi, who being the sole owner of the business will manage it. To help her is Mr. Chukka Agbo who has managed other boutique for 10 years.

PART III

3.0 COMPANY

3.1 COMPANY & INDUSTRY

Onyitex Boutique will be located in downtown in Emene, Enugu. My company is a retail establishment selling fashionable women's clothing to up-and-coming Baby Boomer retirees. My business operates within the retail industry and is classified under NAICS code 448120 - women's clothing stores.

3.2 LEGAL ENTITY & OWNERSHIP

Onyitex Fashion and Designing, specialized on boutique is a sole proprietorship. It is wholly owned by Eze Euphemia Onyebuchi, who being the sole owner of the business will manage it.

3.3 COMPANY HISTORY TO DATE

The Company is a new business aimed at providing women of the Baby Boom generation stylish clothing options to buy and wear. As the company's founder and as Baby Boomers myself, I found that Emene's current boomer-wear market is missing the mark. In fact, most clothing shops for the 55+ set are still selling clothes that my grandmothers would have worn. As our local population ages and more Baby Boomers reach retirement-age and migrate to Emene, we recognize the need for a shop that caters to the up-beat, fashion-forward Baby Boomer generation.

3.4 FACILITIES

Presently, Onyitex Boutique does not have a bricks-and-mortar location. However, I have identified an ideal spot in the downtown district of Emene. The gorgeous area includes numerous restaurants, an art gallery, coffee shop, candy store and a picturesque park in the town square. I have signed a three-year lease for a 1,700 square foot building at N13 per square foot. Comparable properties are renting for N12-18 SF/Year.

PART IV

4.0 MARKET ANALYSIS

4.1 TARGET CUSTOMER

Onyitex Boutique is a business-to-consumer retail company. Female Baby Boomers are my clear target customers. However, I do realize that I will likely attract some younger women with our peripheral products (handbags, scarves, etc.). Moreover, I expect a portion of my products to catch on with the younger generations. It's important that I do not offer products that are exclusive to the older audience.

Specifically, these will be the women I target vigorously with my marketing and offerings. These women range in age from their mid 40's to late 50's. They value uniqueness, convenience, service and quality. As they retire, price does become a factor in decision-making. At the same time, they were always a generation of the "buy now and pay later" philosophy.

4.2 MARKET SIZE

Emene accommodates a robust retail market. While car dealerships, grocers and home improvement retailers account for a sizable portion of the retail market, the main local shopping district is downtown. With tree-lined streets and quaint shops and restaurants, the downtown retail district is the social and shopping hub of the community. The current population of Emene is just fewer than 40,000. 54 percent are women who have a median age of 48. Many of these retirees are looking to retire on the water in a cozy, yet thriving community.

4.3 TRENDS

The retail fashion industry is a solid business with ever-changing styles and ever-present consumer demand. While supercenters and megastores ruled the past two decades, more and more consumers are looking for change. They're searching for a more serene and customer-friendly shopping experience. This is true especially for those nearing retirement age. In reality, as the Baby Boomers numbers decrease, there will be fewer older Generation X-ers to sell to. However, this market decrease will not occur for at least twenty years. Even then, clothing will always be in high demand. The fashion industry in Nigeria has been thriving since the advent of moving pictures.

4.4 SWOT ANALYSIS

Strengths

- Experience and understanding of the fashion industry
- Unique shopping experience with exceptional customer service
- Great downtown location
- Large and growing consumer base

Weaknesses

- Untested market in Emene
- While market is large, it is a niche market (Baby Boomers)

Opportunities

- Outstanding shopping experience will lead to repeat business
- Growing online Onyitex Boutique
- Establish a Onyitex Boutique clothing line

Threats

- Cost and effectiveness of marketing to women "Baby Boomers"
- New retail shops that may or may not open in the future

PART V

5.0 STRATEGY & IMPLEMENTATION

5.1 PHILOSOPHY

My company's core business strategy is to combine exceptional and knowledgeable customer service with quality stylish merchandise. And in turn, I'll provide an enjoyable shopping experience for my customers. Onyitex Boutique's mission is to offer women of the Baby Boom generation a wide selection of fashionable, figure-flattering clothing. My aim is to establish our company as a pioneer in this youth-obsessed industry and build a boutique brand name that will be synonymous with the fashion industry revolution.

5.2 PRODUCT DEVELOPMENT

I am currently working with several apparel wholesalers, garment manufacturers and two freelance fashion designers to assemble our inventory. I am also working with city economic-development officials to secure all required permits and occupational licenses. Once financing is secured, I will move ahead with the façade renovation, which will be paid for via the PDRC, as well as purchasing inventory, retail displays, and office supplies. Prior to the grand opening of Onyitex Boutique, I will schedule an event with the Chamber of Commerce and commence with pre-publicity flyers, advertising and additional marketing activities.

5.3 INTERNET STRATEGY

As the Internet has become a staple of Nigerian life and retail merchandising, Onyitex Boutique will have a viable Web site. I have secured the domain name OnyitexBoutique.com and will begin site development as funds become available. Further, I plan to hire an established Web designer that will accept modest pay in exchange for future profit-sharing. Foremost, I intend to showcase my brand, my clothing and provide customers with the ability to purchase items online. As the site progresses, I will include features such as fashion advice, designer interviews, newsletters, and Internet-only specials. Eventually, I hope to establish and nurture an online social community where women can gather and discuss topics of the day, network and share clothing secrets.

PART VI

6.0 MARKETING PLAN

I have strong marketing backgrounds and recognize the significance of effective marketing. I expect my strategy to draw consumers into Onyitex Boutique from the very beginning. Moreover I will hire a local firm to help me develop and implement a strategic marketing plan and guide my publicity efforts in a cost-effective manner. My marketing message, logo and slogans will revolve around the idea of the Baby Boom generation as revolutionaries and trend setters. Boomer women are in their prime and at their best, meaning these women deserve to be recognized as a force within the fashion industry.

My goal is to keep my marketing budget to no more than 5% of our gross annual sales. I already have connections in all the necessary places. These strategic partnerships will allow me to piggyback on publicity for local events, as long as they are within our targeted demographic. Onyitex Boutique's initial marketing efforts will remain local as I establish a presence in my community. These will rely heavily on local print and broadcast media coverage, traditional advertising, signage, a direct mail marketing campaign and networking. A significant portion of my advertising budget will be allocated to print and broadcast media.

Of course, I will build anticipation and excitement about the new boutique prior to its grand opening.

I will also hold a drawing for a N1000 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. Comprehensive advertising and semi-annual direct mail marketing campaigns will follow the grand opening. Low cost publicity activities will also be taken advantage of such as posting sale flyers on community bulletin boards and online.

Finally, marketing opportunities will be continually utilized as I expand my business and my consumer numbers grow.

6.1 SALES

Onyitex Boutique plans to generate sales via strategic marketing efforts. These concentrated efforts will be targeting new and returning customers as well as single-visit tourist consumers. I will also implement a referral program rewarding customers who refer new customers with discount coupons. Following my grand opening, I will conduct a direct-mail campaign to targeted consumers that I have signed up through my in-store mailing program. The direct mailers will be comprised of 5,000 full-color postcard mailers. Each will include a 10% coupon. I will offer promotional discounts and seasonal and clearance sales throughout the year.

Onyitex Boutique will accept cash and payment via major credit and debit cards. Cash layaway plans will also be permitted. Returns and exchanges must take place within 30 days of purchase and receipts are mandatory.

6.2 OPERATIONS

As a retail establishment, Onyitex Boutique will conduct business seven days a week from 10 a.m. to 6 p.m. Monday through Thursday, from 10 a.m. to 8 p.m. Friday and Saturday, and 12 p.m. to 6 p.m. on Sunday. During the holiday seasons and during special events, store hours will be extended. At this point, the retail store will take require approximately 2/3 of the building's available space. The remainder will be utilized for stock and administrative purposes. In addition to the two full-time co-owners, three part-time employees will be hired to serve customers.

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. All accounting and finances will be maintained using Peachtree software.

6.3 GOALS

The following is a list of business goals and milestones I wish to accomplish our first year of operations.

- Complete renovating, stocking, hiring and initial marketing.
- Host a successful grand-opening event.
- Penetrate and raise awareness in 60 percent our targeted consumer market.
- Achieve a profit margin of 50 percent.
- Build a solid customer base and mailing list.

- Generate repeat and referral sales.
- Become a profitable business with expansion potential.
- Establish a solid reputation as quality retail establishment.

My first major milestones will be securing funds and setting up my business. This is my major focus right now. In five years, I hope to have established my retail business within the community and within my industry. Furthermore, as co-owners, I would like to see the growth of our store with an increase in product lines, further penetration of the national market with online sales and, under the right set of circumstances, the opening of franchise Booming Boutiques in strategic locations.

PART VII

7.0 MANAGEMENT

7.1 ORGANIZATIONAL STRUCTURE

As a small business, I will have a small staff. I will assume leadership roles within the company and will be responsible for daily operations, overseeing marketing efforts, buying merchandise and managing inventory and all other administrative duties. A small sales staff will assist co-owners with securing sales, assisting customers and general maintenance of stock on the floor.

7.2 STAFF MEMBERS

Onyitex Boutique will employ a sales staff of 3 part-time employees. These positions are yet to be filled. However, I feel the labor pool is such that finding qualified employees will not be an issue. My 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.

PART VIII

8.0 RISK ANALYSIS

This project has been subjected to risk analysis for the purpose of identifying some risk associated there in. They are itemized as follows;

- a. Low initial demand; aggressive marketing combined with promoting shall be adopted
- b. Competitor: continuous high quality service delivery, customer care as well as continuous environmental scanning shall be adopted
- c. Fire out break and accident: fire extinguishers shall be provided as well as insurance policy
- d. Staffing: training shall be given to officers from time especially to the semi-skilled and unskilled labor
- e. In the case of accident: good and careful driver will be employed

PART IX

9.0 FINANCIAL PLAN

9.1 REQUIREMENTS

Onyitex Boutique will need N1,000,000 to get our business off the ground. I am currently seeking funding from outside investors and business loans.

At this time I have raised N500,000 in equity capital and an additional N120,000 for a specific-use grant.

9.2 USE OF FUNDS

Funds will be used to pay for renovations, including the outside façade, construction of fitting rooms, sales counter, painting, carpeting, lighting, decor and display fixtures. I will also purchase inventory, a cash register, computer equipment and an inventory management system. The remainder of the start-up

funds will be utilized to cover operating expenses, such as rent, utilities, marketing costs and wages.

9.3 INCOME STATEMENT PROJECTIONS

Based on my marketing plans, location, store size and product offerings, I expect to collect annual sales of N5,260,000 in year one, N5,340,000 in year two and N5,440,000 in year three.

My average cost of goods sold will be 40%, which leaves us with a gross margin of 60%. My minimum monthly fixed costs are N150,500 per month, so I will need to generate sales of N69,833 per month to break even. I will become profitable on a monthly basis before the end of our first year.

In my third year, I will earn net income of N5,440,000. The accompanying income statement demonstrates my company's profitability.

9.4 CASH FLOW PROJECTIONS

My business will collect immediate payment from customers, so my cash flow statement will be substantially similar to my income statement. My cash flow statement clearly demonstrates my ability to cover all bills.

9.5 BALANCE SHEET

Onyitex Boutique will launch with N500,000 in equity capital and N500,000 in loans. Credit amounts and supplier terms for inventory will appear in our balance sheet as short-term liabilities. Jewelry consignments from vendors will not be documented in our balance sheet and will be expensed as these items are sold. Details are shown in our enclosed balance sheet.

9.6 ASSUMPTIONS

My projections are based on the assumption that the economy, consumer spending habits and population growth in Emene will continue for the foreseeable future.

I must also assume that our present and future suppliers will continue to sell inventory to us at prices that allow us to maintain our present margins. It is also important that I am able to hire reliable employees at reasonable wages.