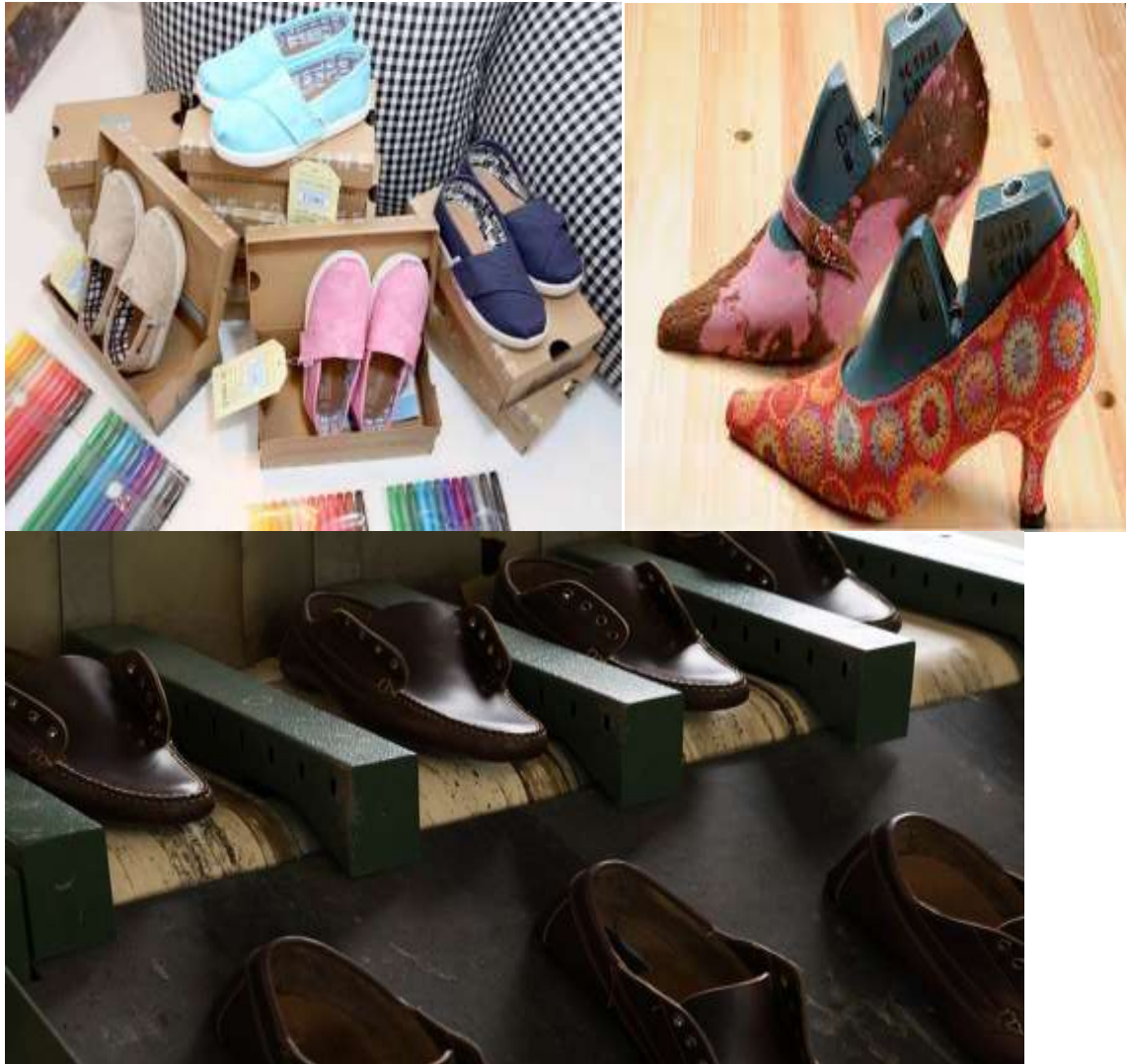


SHOE MAKING

BUSINESS PLAN



BY

MAXY SHOE MAKING

DEPARTMENT OF MASS COMMUNICATION

FACULTY OF ARTS

**ASSIGNMENT:
BUSINESS PLAN ON SHOE MAKING**

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1. EXECUTIVE SUMMARY

1.1 Introduction

Maxy shoes & Footwear is a shoe making outfit involved in both men, women and children shoes targeting Nigerian and International markets. We are into designing of shoes, sandals and footwears with unique aim of making our clients look exceptionally unique in every function they go to.

The benefits of our products and services would be:

- Uniqueness of our style and new look
- Prompt delivery services and quality design
- Excellent customer care service
- Online ordering
- Home delivery service

My business meets a need and demand for:

- The need to provide a quality well structured shoe making outfit in my area
- The demand for unique style that show latest trend
- The demand for African-made shoes, sandals and footwear in the international market.

I am going into this business because I have passion for shoe making and I have developed this from childhood. I have discovered an unsatisfied market in my area. I have great passion for self-reliance and creating job opportunities.

1.2 Business Opportunity

The any human you find in any street in the Nigeria and of course the average person you found in developing and undeveloped countries would put on one form of footwear or the other.

Shoes cum footwear could be pure leather, synthetic leader, fabric or rubber. This goes to show that there is indeed a very large market for shoes in our world; hence loads of investors cum aspiring entrepreneur are pitching their tent in the shoe & footwear making industry.

Businesses in the shoe and footwear industry manufacture footwear for men, women and children. They are involved in making shoe in different forms such as rubber and plastic footwear, protective footwear (Safety boots), house slippers and slipper socks.

Companies in this line of business also manufacture men's or women's footwear specifically designed for casual, formal and work environments et al. These products also include men's or women's shoes with rubber or plastic soles and leather or vinyl uppers.

The Shoe & Footwear Making industry is indeed a major sector of the economy of most countries in the world (Nigeria, US, Italy, France, United Kingdom, China and India et al). Statistics has it that in the Nigeria alone, the Shoe & Footwear Making industry generates a whopping sum of well over \$2 billion annually from more than 876 registered and licensed big scale shoes and footwear making companies scattered all around the Nigeria.

1.3 Business Background

Maxy Shoes & Footwear, is a small and standard shoe & footwear making company that will be located in Nsukka, Enugu State; in an ideal location highly suitable for the kind of business we want to establish.

Maxy Shoes & Footwear. will manufacture a wide range of footwear for men, women and children. We will be involved in making shoe in different forms such as rubber and plastic footwear, protective footwear (Safety boots),

house slippers and slipper socks. We are set to services a wide range of clientele not just in the Nigeria, but also all parts of the world.

We are aware that there are several large and small shoes and footwear making companies all around the Nigeria, which is why we spent time and resources to conduct a thorough feasibility studies and market survey so as to be well positioned to favorably compete with all our competitors.

Maxy Shoes & Footwear. will ensure that all the shoes and footwear that leaves the workshop are of the highest quality and highly durable and affordable. We want to build a business with a wide range of clientele base cut across people of different financial status

Maxy Shoes & Footwear. will at all times demonstrate her commitment to sustainability, both individually and as a company, by actively participating in our communities and integrating sustainable business practices wherever possible.

2. OBJECTIVES AND MILESTONES

2.1 Vision & Mission

Our Vision Statement

Our vision is to become the leading brand in the shoe making industry in Nigeria and to establish a one stop shoe and footwear making outfits at affordable cost.

- **Our Mission Statement**

Our mission is to exceed the customer's expectations by providing quality products and services in a loving and caring way.

2.2 Goals & Objective

Our Goals

- To be one-stop in Enugu for items including shoes, sandals and footwear for men, women and children.
- To become a leading player in the shoe making Industry.

Our Objectives

- constant growth in sales in 12 months
- to generate customer satisfaction so that at least 60% of our customers base is repeat business
- to provide quality product at reasonable process with exemplary services.

2.3 Strategy

To achieve the above objectives, the company would put in place the following strategic plans;

- a. To raise adequate funds through medium term borrowing to fast-track project implementation and thus increase product capacity on a large scale basis
- b. The company operates in a very dynamic and rapidly changing business environment. Consequently, the company will place high priority to product quality, service delivery and human capital development in order to align with ever changing trends and respond quickly, promptly and effectively to threats and opportunities in the industry.
- c. The company has already packaged specialized training programs for the above.

3. PRODUCTS

3.1 Overview

Our Product Offering

Maxy Shoes & Footwear. is in the shoe making industry to manufacture a wide range of footwear for men, women and children. We will be involved in

different forms such as rubber and plastic footwear, protective footwear (Safety boots), house slippers and school shoes.

We are set to services a wide range of clientele not just in the Nigeria, but also all parts of the world and of course to make profits, which is why we will ensure we go all the way to give our clients and potential clients options.

Our product offerings are listed below;

- Making of rubber and plastic shoes
- Making of house slipper
- Making of athletic shoes
- Making of ballet slipper
- Making of school shoes
- Making of other footwear

4. MARKETS AND MARKETTING

4.1 Market Analysis/Strategy

One common trend in the shoe making industry is that the demand for its product is driven by fashion, demographics, and of course consumer disposable income. The profitability of individual shoe and footwear making companies depends on their ability to design and market shoe models that effectively target consumers' tastes and preferences.

Large shoes and footwear companies have economies of scale in distribution and marketing and small scale shoes and footwear companies can compete successfully by crafting customized shoes and footwear based in their client's preference.

Lastly, as part of marketing strategies, shoe and footwear making companies now ensure that they have showrooms at different locations

where they display their shoes and footwear. As a matter of fact, it is even cheaper to purchase directly from these showrooms established by shoe and footwear making companies as against purchasing from shoe and footwear retail cum departmental stores. It is a strategy that helps them increase sales and income for their business.

4.2 Marketing Strategy and Sales Strategy

In summary, Maxy Shoes & Footwear. will adopt the following sales and marketing approach to win customers over;

- Open our shoe and footwear making company and showroom in a grand style with a party for all.
- Introduce our shoe and footwear making company by sending introductory letters alongside our brochure to organizations, households and key stakeholders in Enugu and other parts of Nigeria.
- Ensure that we manufacture a wide range of shoes and footwear
- Make use of attractive hand bills to create awareness and also to give direction to our shoe and footwear showrooms
- Position our signage / flex banners at strategic places around Enugu.
- Position our greeters to welcome and direct potential customers
- Create a loyalty plan that will enable us reward our regular customers
- Engage on road shows within our neighborhood to create awareness for our shoe and footwear making company and showroom.
- List our business and products on pages ads (local directories)
- Leverage on the internet to promote our business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

4.3 Target Market

Perhaps it will be safe to submit that the shoe making industry is amongst one of the industry that has the widest range of customers; almost everybody on planet earth need one form of footwear or the other. It is pretty difficult to find someone in Nigeria and of course in other countries that don't have shoes and other footwear.

In view of that, we have positioned our shoe and footwear making company to service the clientele in the Nigeria and other parts of the world. We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us.

We are in the shoe making industry to manufacture a wide range of shoes and footwear for the following people;

- Men
- Women
- Children
- Babies

4.4 Pricing Strategy

Aside from quality, pricing is one of the key factors that gives leverage to shoe and footwear making company, it is normal for consumers to go to places (shoe and footwear making companies and showrooms) where they can get shoes and other footwear at cheaper price which is why big player in the shoe making industry like Nike, Puma, Adidas, Clarke®, New Balance, Allen Edmonds and co will always attract loads of corporate and individual clients.

We know we don't have the capacity to compete with Nike, Puma, Adidas, Clarke®, New Balance and Allen Edmonds et al, but we will ensure that the prices and quality of all the shoes and footwear products that we make are available in our workshop are competitive with what is obtainable amongst shoe and footwear making companies within our level.

4.5 Competition

We are aware of the stiffer competition and we are well prepared to compete favorably with other leading shoe and footwear making companies in Nigeria and the globe.

One thing is certain, we will ensure that we manufacture a wide range of shoe and footwear products in our workshop at all times. It will be difficult for customers to visit our shoe and footwear showroom and not see the type of shoe and footwear that they are looking for.

One of our business goals is to make Maxy Shoes & Footwear; a one stop shoe and footwear making company. Our excellent customer service culture, showrooms, online store, various payment options and highly secured facility will serve as a competitive advantage for us. Our three major competitive advantages are:

- 1) Creative style design
- 2) Prompt delivery
- 3) Quality product/materials

5. OPERATIONS

3.2 Production Process

The production process for making a shoe is as follows:-

Step 1: Stocking

Stocking mainly means storing of raw materials as per the requirement of the customer which mainly consists of leather and the sole material.

Step 2: Cutting

Cutting mainly consists of two types i.e. leather cutting and sole cutting. Leather cutting is done manually with the help of hands using a specific type of a sharp knife, whereas sole cutting is done by machines.

This is mainly because leather sheets are thin and in order to give it a specific shape and design it has to be done manually wherein the material is cut into pieces.

But in case of soles the soles are in the form of thick sheets of rubber or any other sole material (as per customer requirements) which requires a specific type of machine called as the sole cutting machine.

Step 3: Designing

Designing is mainly done as per the designs given by the designers.

Designing means designing the leather which covers the entire upper feet. Designing is mainly done by cutting the leather into certain designs it also includes stitching of the leather in specific designs. This process does not include the making of sole.

After this a particular lining is applied to make the leather soft and give it strength.

Step 4: Sticking

After designing, comes sticking. This mainly means sticking the upper part i.e. the leather part of the shoe to the sole of the shoe. This is done using adhesives.

Step 5: Lasting

Further, in the lasting process plastic moulds are taken which are in the shape of the foot, and then the upper portion of the shoe and the insole are stuck together using adhesives and then the mould is removed.

Step 6: Pressing

After lasting, the shoe containing the mould is then subjected to the pressing process wherein the pair of shoes is placed in a machine which presses the shoe i.e. presses the upper part of the shoe to the sole to ensure proper adhesion.

Step 7: Finishing

After the pressing the shoes are allowed to dry for a specific time and after that the moulds are removed and finishing is done. Finishing basically means brushing the shoe, polishing it using waxes, polish and lacre

Step 8: Stamping

The shoe is then stamped in the name of the customer or the business name. The stamping is mainly done using ink and foil paper.

Step 9: Packaging

In packaging the shoe is graded according to the different sizes, packed in boxes, the boxes are labeled using barcodes and dispatched to the customer.

6. FINANCIAL SUMMARY

6.1 Project Cost

- **Start – Up Expenditure (Budget)**

Basically, to launch my shoe line business in Nigeria, i would need the following;

- The amount needed to acquire a small facility with space for storage of working tools and equipment would cost N50,000.
- Equipping the facility would cost N100,000
- The cost for acquiring the required working tools, equipment, machine and materials would cost N150,000
- Website, fliers etc would cost N30,000
- Miscellaneous expenses would cost N20,000

We would need an estimate of **N350,000** to successfully set up our shoe and footwear making business in Little Enugu.

Generating Funding / Startup Capital for Maxy Shoes & Footwear.

We do not intend to welcome any external business partners, which is why we have decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

- Generate part of the start – up capital from personal savings
- Source for soft loans from family members and friends
- Apply for loan from in a Bank

6.2 Sales Forecast

We have been able to critically examine the shoe making industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on

information gathered on the field and some assumptions that are peculiar to startups in Enugu.

Below are the sales projection for Maxy Shoes & Footwear., it is based on the location of our business and other factors as it relates to shoe and footwear making start – ups in Nigeria;

- **First Fiscal Year-:** N500,000
- **Second Fiscal Year-:** N850,000
- **Third Fiscal Year-:** N1.2 million

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 making or retailing same shoe and footwear products 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.

7. FINANCIAL SUMMARY

7.1 SWOT Analysis

Maxy Shoes & Footwear. is in business to become one of the leading shoe and footwear making companies in the Nigeria and we are fully aware that it will take the right business concept, management and organization – structure to achieve our goal.

We are quite aware that there are several large and small scale shoes and footwear making companies all over the Nigeria and even in the same location where we intend locating ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on

the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

- **Strength:**

Our core strength lies in the high quality of our finished shoes and footwear, the power of our team and the state of the art and well – equipped shoe and footwear making factory that we own. We have a team of highly trained and experienced shoes and footwear designers and makers and support staff members that can go all the way to produce top notch shoes and other footwear.

We would also make customized for customers. We are well positioned in the heart of Enugu and we know we will attract loads of clients from the first day we open our shoe and footwear making company for business.

- **Weakness:**

A major weakness that may count against us is the fact that we are a new shoe and footwear making company and we don't have the financial capacity to compete with multi – million dollars shoe and footwear making companies when it comes to making shoes and footwear at a rock bottom prices. So also, we may not have enough cash reserve to promote our shoe and footwear making company the way we would want to do.

- **Opportunities:**

The fact that we are going to be operating our shoe and footwear making company in Enugu provides us with unlimited opportunities to sell our furniture to a large number of individuals and corporate organizations.

We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients will be looking for when they

visit our shoe and footwear making workshop or showroom; we are well positioned to take on the opportunities that will come our way.

- **Threat:**

Just like any other business, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing / spending power. Another threat that may likely confront us is the arrival of a new shoe and footwear making company in same location where ours is located. So also, unfavorable government policies may also pose a threat for businesses such as ours.

CONCLUSION

Maxy Shoes is position in the shoe making industry is widely varied. In such a climate, the best investment opportunities will be awarded to companies that have the ingenuity and creativity to meet the customers' demands for shoe making in an industry driven by economic conditions, demographic trends, and pricing. We have carefully considered its market, potential customer base, and its ability to grow its sales average to capture 0.1% of the shoe making industry.

Maxy Shoes has the potential to become a highly regarded resource in local, regional, national, and international markets. Due to the company's aggressive marketing strategy, establishment of the company as a "unique" entity in its industry. Maxy Shoes would be able to achieve operational success for many years to come.