

I now present in full detail the full business plan for the establishment of a tailoring shop called Rosy designers.

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ROSY DESIGNERS

PART 1

1.0 Executive summary

- 1.1 The following report and recommendation relate to the proposal by Rosy Designers to establish a tailoring shop at Enugu State.
- 1.2 The project will require a start up capital of# 2, 50,000 made up of #1,550,000 for fixed assets and # 900,000 for working capital
- 1.3 The vision of the enterprise is to be the best tailoring outfit producing the best and unique classic dresses for ladies in the whole of Enugu State of Nigeria, especially in Independence Layout.
- 1.4 The enterprise will be located at independence Layout, Enugu State because it is the centre of the city where the target market can easily locate the shop.
- 1.5 A large market is available for the business to serve.
- 1.6 The financial projection show that the project would be financially consistent and liquid by the time it matures. The sales figure stand at #960,000 for year 1, year 2 and year 3 respectively. Also, the profit after tax are (#856,000), # 2,600,000 and #2,380,000. The cash flow also nice and promising at the second year.
- 1.7 The competitive edge of the enterprise is in its ability to sew and design high quality and classic dresses for the target market at affordable prices.
- 1.8 The profitability measures are as follows:

	Year 1	Year 2	Year 3
Turnover	856,000	2,600,000	2,380,000
Profit before Int and Tax	(779000)	290000	299000
Profit after Tax	(853000)	2096000	2650000
Return on sales	N/A	36.0%	1 .3%

Return on equity	N/A	101.5%	99.0%
Return on investment	N/A	72.88%	92.1%

From the point of view of analysis of our findings, the proposed project is found to be technically feasible, financially viable and economically desirable. Thus, the project offers good investment benefits, and is therefore highly recommended for implementation.

PART 2

2.0 Introduction:

The planned tailoring project is the result of strong industry and needs assessment studies carried out in Enugu State of Nigeria, specifically, independence layout by the promoters of this project. The studies show that the demand of high quality and well designed classic ladies' dress with affordable prices is very high and there is limited supply of these unique dresses for the consumers in the location of this business. This expanding demand trend is expected to be sustained into the future.

2.1 Vision: To be the best tailoring outfit producing the best and unique classic ladies' dresses in Enugu State, especially Independence layout.

2.2 Mission: To produce outstanding ladies' dresses with the best quality materials to the taste of our customers.

2.3 Key success factors:

The key success factors are:

- a) The use of high quality materials that are long lasting in produces the dresses
- b) Renting good customer service and responding to customers' demands and complains.

c) The promoter has undergone training in entrepreneurship.

d) Existence of reliable market outlets.

2. Inherent risks

a) There is currently inadequate resource to contain the expansion that is normal in tailoring.

b) Competitors may increase in this area of business which may lead to decrease in customers.

c) Provision of basic utilities like embroidery machines, weaving machines and electricity is not guaranteed.

d) Unforeseen occurrences like fire outbreak may occur.

2.5 Business ownership

This enterprise is a sole proprietorship wholly owned and managed by Ogochukwu Rosemary Asogwa.

2.6 Location factors

The tailoring project is located at No 1B Achi close, Independence layout, Enugu. What led to the choices of this location are:

a) Its nearness to Ogbete main market Enugu State will make it easy to access clothe materials sources for the tailoring business.

b) Enough classic customers for my business.

c) Existence of good road network and ease of market access.

d) Availability of cheap and reliable labour.

2.7 Available market

Information from survey reveals that the population of classical ladies who demand greatly for high quality and well designed dresses in Enugu State, specifically, Independence layout is very high, taking 60% Of the whole population of Enugu State. Survey also shows that these demands of these people are poorly satisfied. So, with this, there is a huge available markets for the promoters whose primary market is the Independence layout, Enugu area.

PART THREE

3.0 Rosy designers will provide the following products:

- a) Traditional dresses
- b) Coperate dresses
- c) Wedding gowns
- d) Danshiki shirts

3.1 Product description

- a) Already made dresses
- b) Collecting clothe materials from customers and sewing and designing for them.

3.2 Costing

The costing of the tailoring/designing products is mainly built around four major cost items, they area

- a. Sewing machines
- b. Embroidery machines

- c. Walking machines
- d. Electricity
- e. Paying of workers' salaries

3.3 market demand

There is high market demand classic and well designed ladies dresses in Enugu, precisely in Independence layout because of the nature of activities that go on there. For example, most high institutions in Enugu such as UNEC, ESUT, IMT, and National open university where the female lecturers and students alike are lovers of classic and designers dresses. Survey shows that few tailors and designers in this area poorly satisfy the customer's demands.

3.4 Projected annual demand for classic ladies' dresses in Independence Layout Enugu and its environments (2018-2019).

Table 1: project annual demand for classic/unique ladies dresses in Enugu and its environs (2018-2019).

S/N	Years	Annual growth rate	Projected demand
0	Base years (0) (2008)	0.8%	20,000
1	2009	0.8%	20,2000
2	2010	0.8%	20, 400
3	2011	0.8%	20,000
	TOTAL	32%	80,600
	Average	0.8%	20150

The projected average annual demand for classic ladies dresses in Enugu and its environs is about 20, 150 classic ladies clothes. It is expected that this level of demand will subsist for the next years.

3.5 Projected demand supply gap of classic ladies, clothes in Enugu and its environs.

As stated earlier that of the total figure of classic ladies' dresses, only 30% of the demand are met by the existing tailors/fashion designers. Therefore, the demand supply gap of classic ladies' clothes in the dependence layout Enugu and its environs is shown in table 2.

Table 2: project demand supplying gap of classic ladies' clothes

Adjustment	Demand -supply gap
Estimated average annual demand	40,600
less 35% of supplies of existing fashion designers in the area	14210
less 20% due to expansion of existing fashion designers and establishment of now.	26390
Less than 5% estimate error.	5280
	21110
	1100
Estimated demand- supply gap	20010
anticipated annual designing of classical ladies' clothes	500

However, the plan is to produce about 500 classic ladies' clothes yearly (the installed capacity) this represents about 2.5% of the total demand-supply gap of classical ladies' clothes. thus, it is assumed that sealing the clothes will not be a problem.

PART IV

Market, Customers and Competitors

4.0 Market analysis

rosy designers has an exciting business opportunity since there is a large market for classic ladies' dresses in independence layout Enugu and its environs.

4.1 customers/Market segmentation.

the following are the classes of customers to classic ladies dresses.

- a. brides- they buy wedding gowns from my shop for their wedding ceremony.
- b. classic office workers. they buy the clothes for works and other ceremonies.
- c. retailers- they buy the clothes form me and sell in their boutiques
- d. households- households buy the clothes for occasions and many other ceremonies like wedding etc

PART V

5.0 marketing plan.

there are no major fashion designers in independence layout. therefore, there is total absence of well structured tailoring shops that can really put up commendable competition. therefore, if rosy designers begins operations as planned, it will be a market leader in no distant time.

5.1 promotion strategy.

rosy designers will engage in strong advertising campaign to ignite and sustain customer's interest in buying the cloths. this will make the demand for the classic clothes to increase rapidly. to do this, rosy designers plane to use radio, television, newspapers and magazines to advertise them.

5.2 marketing strategy: to maintain a sizeable portion of the classic ladies' clothes in market in Enugu and its environs, rosy designers has decided that her clothes will get to the market at a highly competitive price. also, rosy designer will give trade discounts to drive the market faster. there are also plans to distribute calendars and almanacs to her numerous customers. This will help greatly in increasing the popularity of the tailoring shop among the wholesalers in classic ladies' clothe market

5.3 market positioning.

rosy designers will position itself as the prime mover and market leader in the ladies' cloth market in independence

layout Enugu and its environs. the shop will create distinctive leading edge profile for itself.

rosy designers will position itself as the best designer of classic ladies' dresses in independence layout Enugu/

PART VI

6.0 technical analysis.

tailoring business usually has the problem of disappointment the customers by not sewing their dresses on time as agreed by the customer and the fashion designer. but rosy designers will ensure that it sews and delivers the customer and the designer on time as agreed by the customer and the designer

6.1 schedule of operation.

rosy designers will start operation with sewing cooperate dresses in the first two months and expand to designing other dresses such as wedding gown, and traditional wears as the business expands.

6.2 management and organisation.

6.2.1 owner/manager.

rosy designer is a sole proprietorship. it is wholly owned by Asogwa Ogochukwu Rosemary has a enough basic knowledge of financial management which she is expected to utilize in running the tailoring and designing shop.

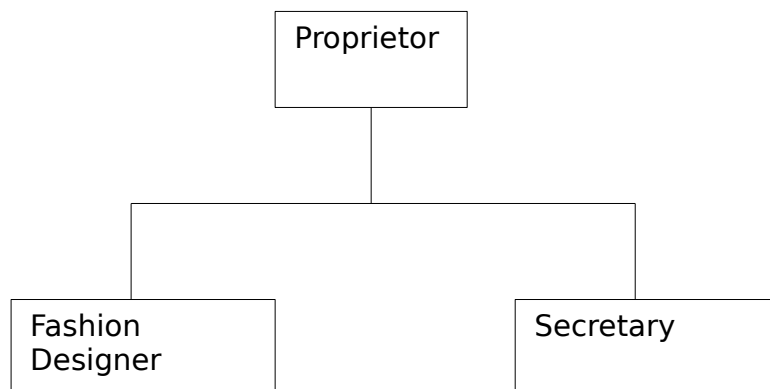
to help in the day to day management of the tailoring and designing shop, some other in this area of business will be hired. the reason is that the hired people will support Ms Ogochukwu especially in the area of technical know how in tailoring.

table 3

s/n	Position	No. of staff	Annual salary per staff (N)	Total
1	Proprietor	1	300,000	300,000
2	Fashion designer	1	100,000	100,000
3	Secretary	1	80,000	80,000
	Grand total			480,000

figure 1 below shows the organisational structure of the tailoring shop

Figure 1



6.3 external support:

rosy designers is discussing with the Enugu small and medium enterprise centre over a period of years strong management and business support service. again, rosy designers will get support on technical issues from the Entrepreneurial Development Centre UNN, where the proprietor received entrepreneurship training. also, the service of experts and consultants in fashion and designing has been planed to be maintained.

6.4 value and norms of the enterprise.

rosy designers will adopt the follows norms and values:

- a. to offer good customer services to her customer
- b. to see there customer needs and demands as the ultimate priority
- c. performance culture- commitment to her duty
- d. to uphold here integrity at all times.
- e. to see her employers as her most valuable assets.

PART VII

legal environment, social and regulatory issues.

7.0 legal issues

rosy designers plans to commence commercial operations as a sole proprietorship. so, it is enough to register the business name with the appropriate department at the local government headquarters. every

attempt will be made to get all necessary permit and licenses for the business.

7.1 environmental.

tailoring business causes environmental problem if the waste form the pieces of clothe materials are not disposed. so, rosy designer plans to get enough waste bins which will be used in disposing the waste appropriately.

7.2 social

the implementation of the project will yield social and economic benefits to the society in the following way:

- a. it will help in creating wealth and reducing poverty in the society
- b. it will create new job opportunities.

7.3 regulatory

the tailoring shop will aside by all the environmental regulations as well as all relevant industrial safety regulatory requirements.

PART VIII

Table 4

8.0 Risk Analysis

Identified risks	Mitigants
possibility of fire outbreak	Fire extinguisher will be provided at every part of the shop
Inadequate start up demand	Consistent promotion and advertising campaigns
Irregular power supply	A standby generator will be provided to solve this issue

8.1 SWOT Analysis

a SWOT analysis carried out on this project shows the following:

8.1.1 strengths

- a. the location of the tailoring shop makes it have easy access to its targeted customers.
- b. rosy designer designs high quality dresses.
- c. rosy designers has reliable employees.

8.1.2 weaknesses

- a. raising start up capital for the project anticipated was a problem.
- b. none constant power supply was also a weakness by providing stand by generator for power supply

8.1.3 Opportunities

a. presently, there are few fashion designers in the area of this business and even the few one's design poor quality dresses. so, rosy designers with the highly quality of her dresses, has an opportunity to close this identified gap.

b. there is high demand for classic ladies' dresses in the area of this business. so, this is an opportunity for rosy designers.

8.1.4 Threats

a. increased competition due to the entry of more tailoring and fashion designing shops.

b. low initial demand.

to address these threats, Rosy designers will embark on strong consistent advertising campaign and other promotional strategies on her products and services.

8.2 exit strategy.

exist is not planned, instead, diversification will be pursued.

PART IX

company financial.

9.1 summary of project cost.

the total cost of the project is N2,450, 000. this is made up of a N1, 550,000 in fixed capital and N900,000 in working capital

9.2 fixed capital investment.

rosy designer is located at NO1B Achi close, Independence Layout, Enugu on a land of about 1 standard plot of 60¹¹ x120¹¹. the site is motorable all year round.

the fixed capital was spent on buying sewing machines, embroidery machines, weaving machines, the tailoring shop, generator, electric irons, cutting table, sewing box, ironing board, sewing guage, tape measure, pinking and shears.

9.3 utilities

rosy designers is located in a place that is not connected to the source of electricity. therefore, power would be supplied through the use of a standby generator.

Table 5: Expenses on Utilities Projected

Utilities	Year 1 (N)	Year 2 (N)	Year 3(N)
Power supply	15, 000	15,300	15,600
Total	15,000	15,300	15,600

9.4 other expenses expected to be incurred in the course of running the tailoring shop. table 6 shows the other expenses expected to be incurred

table 6: other operating expenses.

Type of expenses	Year 1 (N)	Year 2 (N)	Year (N)
Vehicle maintenance	100000	105,000	110000
Business travels	30, 000	31500	33000

Public relations/advert	90000	94500	99000
Miscellaneous	50000	52500	53600
Total	270000	283500	295600

9.5 working capital forecast

to arrive at the working capital needed for the business, the following assumptions are made:

- i. cost prices of items increase annually by 25% except for items mentioned under other operating expenses which grow by 5%.
- ii. selling prices of stocks increase annually 10%
- iii. trade credits are given and taken to and from deserving customers respectively.
- iv. it is expected that goods are disposed off at the project scheduled.