

UNIVERSITY OF NIGERIA SUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

TOPIC

A BUSINESS PLAN FOR FASHION AND DESIGNING

AN ASSIGNMENT

**SUBMITTED IN PARTIAL FULFILMENT OF THE COURSE
INTRODUCTION TO BUSINESS DEVELOPMENT. (CEDR 342)**

BY

NAME: UGEZU CHRISTIANA CHISOLU

REG NO: 2015/204336

LECTURER: DR MRS C. T NWAOGA

JULY, 2017

NEW LOOK FASHION HOUSE

24 SOLUCHRIS, UNIZK JUNCTION AWKA, ANAMBRA STATE.

UGEZU CHRISTIANA CHISOLU

08037298242

EMAIL: info@newlookfashionhouse.com

WEBSITE: www.newlookfashionhouse.com

JULY 2017

TABLE OF CONTENTS

Title Page -----	i
Table of Contents -----	ii
1.0 EXECUTIVE SUMMARY -----	1
1.1 Name of business: -----	1
1.2 Legal form of business:-----	1
1.3 Contact address:-----	1
1.4 24 Soluchris Unizk Junction, Awka, Anambra State.-----	1
1.5 Telephone -----	1
1.6 Type of business:-----	1
1.7 Description of business:-----	1
1.8 Job opportunities:-----	1
1.9 Start-up capital:-----	2
1.10 Source of capital:-----	2
1.11 Profitability:-----	2
2.0 GENERAL INTRODUCTION-----	3
2.1 Background-----	3
2.2 Vision Statement-----	3
2.3 Mission Statement-----	3
2.4 The Company-----	3
2.5 Services Offered-----	3
2.6 Legal form and ownership of business-----	3
2.7 Location of the business-----	4
2.8 Industry Trend and Analysis-----	4
2.9 Business Strategy-----	4
2.10 Key success factors-----	4
3.0 TARGET MARKET-----	5
3.1 Sales and market share analysis-----	5
3.2 Profile of Competitors-----	5
3.3 SWOT Analysis-----	6
3.4 Demand and supply analysis and Estimating the initial installed	

capacity-----	7
4.0 MARKETING PLAN-----	8
4.1 Market segmentation-----	8
4.2 Target market -----	8
4.3 description of the edge of service-----	8
4.4 Marketing Plan Price-----	8
4.5 Market positioning strategy-----	9
4.6 marketing mix implementation tools-----	9
4.7 Channel of distribution-----	9
4.8 Start-up promotion-----	9
4.9 Alliances-----	9
4.10 Marketing calendar and Budget-----	9
5.0 PRODUCTION PLAN-----	10
5.1 The Project-----	10
5.2 Designing Process-----	10
5.3 The designing flow chart-----	10
6.0 MANAGEMENT AND ORGANISATIONAL STRUCTURE-----	11
6.1 Management team-----	11
6.2 Organizational structure-----	12
6.3 The personnel plan-----	12
6.4 Organization’s values and norms-----	12
7.0 LEGAL, REGULATORY, SOCIAL, AND ENVIRONMENTAL ISSUES-----	13
7.1 Legal Issues-----	13
7.2 Regulatory and environmental issues-----	13
8.0 FINANCIALS-----	14

8.1 Equipments-----	14
8.2 Sales Plan-----	14
8.3 General cost of Administration-----	15
8.4 Working Capital Projection-----	15
8.5 Start Up Capital Needed-----	15
8.6 Financing Plan-----	15
8.7 Schedule of Depreciation-----	15
8.8 Final Accounts projection-----	16
8.9 Cash flow Projection-----	17
9.0 RISK CONTINGENT ANALYSIS-----	18
9.1 Contingency Plan-----	18
9.2 Exit Strategy-----	18
10.0 OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION-----	19
10.1 Economics Justification-----	19
10.2 Commercial Viability-----	19
10.3 Conclusion/Recommendation-----	19

1.0 EXECUTIVE SUMMARY

1.1 Name of business:

The name is NEW LOOK FASHION HOUSE

1.2 Legal form of business:

NEW LOOK FASHION HOUSE is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.4 Contact address:

1.4 Soluchris Unizk Junction, Awka, Anambra State.

1.5 Telephone: 08037298242. Email: info@newlookfashionhouse.com

1.6 Type of business:

This is a sole proprietorship business.

1.8 Description of business:

New look fashion house is a company that designs and sews clothes for purchase. We design all kinds of outfits for men, women, children and youths ranging from cooperate wears, traditional and casuals' outfits. Due to the quest for a neat, classy and creative designed clothes among humans which is the trend in the contemporary world today, this business came into existence to fill this gap and satisfy the needs of the customers especially among the fashion lovers thereby making services available for them at all times. Our customers cover all celebrities, men, women, children, youths and all fashion lovers.

The name of the owner of the business is; Ugezu Christiana Chisolu; she oversees the entire running of the business.

1.8 Job opportunities:

It will create 7 jobs directly.

1.9 Start-up capital:

It would require a start-up capital of N3, 949, 000 comprising of fixed asset of N2,409,000 working capital of N540,000, and others which amount to N1,000,000.

Table 1

A	Fixed capital	N2,409,000
B	Working capital	N540,000
C	Others	N1,000,000

Total-N3,949,000

1.10 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N2,700,000
b	Grant	N1,300,000
	TOTAL	N4,000,000

1.11 Profitability:

The business has the ability of raising above N30 million profits from the third year.

2.0 GENERAL INTRODUCTION

2.1 Background

Fashion and styles began in the ancient days. It has become a daily activities because everyone is not left out in this activities knowingly or unknowingly. Knowing very well that ones look speaks volume of what one actually is has made many individuals takes this activities solely to be among their priorities in as much no one wants to be traded upon. For this reason, many has profer into this nature of business and even at that, the demand for a neat and well designed wears are yet not met. This why New look fashion designs came into existence to correct this impression and brigde that gap among fashion lovers., by making more pig meat to be available in the market.

Our customers comprise all the men, women, youths, children and all fashion lovers.

2.2 Vision Statement

Establish over five (5) fashion houses across the major cities of Nigeria in the next ten (10) years.

2.3 Mission Statement

Become the most popular fashion house in Nigeria in the next eight years.

2.4 The Company

The name of the company is NEW LOOK FASHION HOUSE. It is a new business and it is in the process of being registered.

2.5 Services Offered

We make, design and sew clothes.

2.6 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered.

The main promoter which is also the owner of the company is;

UGEZU CHRISTIANA CHISOLU	-----	100%
--------------------------	-------	------

2.7 Location of the business

The business headquarters would be located at 24 Soluchris, unizk junction Anambra State. It is strategically positioned in Unizk junction Awka at the center of the town where there is access to road and offices. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could access the market easily.

The location has a challenge which is; insecurity experienced in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.8 Industry Trend and Analysis

The industry is a growing business that has an all year demand for styles and materials. This means that the industry is such that is not seasonal with great potential for order, and generation of income for the business owner and his workers as well.

2.9 Business Strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

2.10 Key success factors

Our key success factors include; experience workers, easy access to foreign materials, good location, and highly competitive price.

THE MARKET

3.0 TARGET MARKET

The main targeted markets for now are all men, women, children, youths and cooperate workers as well as all the fashion lovers in Awka, Unizk junction , Nnewi, Enugwu-ukwu, Ogidi, Onithsa and other parts of the eastern states. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for fashionable styles.

3.1 Sales and market share analysis

The market has the potential of offering us opportunity to sell and design already made clothings that are more than 10,000 per year. For now we can control 10 to 15% of the market.

3.2 Profile of Competitors

COMPETITORS	PRODUCTS/SERVICES	COMPANY SIZE	TURNOVER	ADVANTAGES	DISADVANTAGES
Cherish top fashion	Women and children clothing.	7 sewing machines, weaving machines and six workers	Over N8million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Bolade fashion and designing house	Men's clothes and embroiding	6 sewing machines, and two embroiding machines and 5 workers.	Makes over N5 million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

New look fashion house enjoys some measures of competitive advantages which are:
 The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.3 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>Our cheaper price is also an edge over our competitors.</p> <p>Prior experience in fashion and designing.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The great experiences of our workers are a plus to us.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since so many people in the eastern part of Nigeria loves fashion.</p>	<p>Poor electricity supply</p> <p>Design copying</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

3.4 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	30,000
Less 30% existing competitors	21,000
Available market (in the absence of expansion and very high entry wall)	120,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	300,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800
Initial installed capacity cat most 60% of available demand (served market)	

4.0 MARKETING PLAN

4.1 Market segmentation

New look fashion house belongs to fashion and designing segment of economy. The location of the business was done in relation to the market demand of clothing and textiles and where production could be cheap.

4.2 Target market

The main targeted markets for now are all celebrities, men, women, youths, children and co-operate workers as well as all fashion lovers in Awka, Unizk junction , Nnewi, Enugwu-ukwu, Ogidi, Onithsa and other parts of the eastern states.

But with time, we seek to extend our reach to cities like Port Harcourt, Asaba, Uyo, Lagos and other south-south and south west states in Nigeria.

4.3 description of the edge of service

service	1	2
Denomination	All fashion lovers.	
Packaging	Neat service	

4.4 Marketing Plan Price

Consumers are willing to pay highest N25,000, average of N20,000 and lowest of N15,000 for every materials sold and designed.

Our competitors prices ranges from highest of N30,000, an average of N25,000 and the lowest of N20,000.

The price we charge per designed material is N25,000.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.5 Market positioning strategy

The firm has not gained more ground in the market. So with good advert, nice designs and price, we seek to gain more position in the near future.

4.6 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.17 Channel of distribution

Customers will deal directly with us.

4.8 Start-up promotion

For start up promotion, we would print banners, fliers and posters.

4.9 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.10 Marketing calendar and Budget

For every six month we would that is customize T-shirts, banners, fliers and posters. We would carryout announcement in radio thrice every week. All will cost us N42,000 per year.

5.0 PRODUCTION PLAN

5.1 The Project

New look fashion and designing house is the making and designing of clothes for the purpose of providing quality outfits for purchase. New look fashion and designing

house is patronized by majority of people especially in the eastern part due to its quality and authentic designed clothes. But the supply for already made clothes had always been far greater than the supply over the years. Not just only that; there had also been need for the supply of already designed materials. This project came up to address this issue and help to provide solutions.

It is a small scale business and a capital intensive business.

5.2 Designing Process

Materials are bought, measured and cut into various sizes depending on the owners shape and size. Then sew the materials using the owner's measurement.

5.3 The designing flow chart

Materials ----- cutting and sewing -----packaging and delivery

6.0 MANAGEMENT AND ORGANISATIONAL STRUCTURE

The main promoter is the owner of the company and holds all the share of the company. She is;

UGEZU CHRISTIANA CHISOLU	-----	100%
--------------------------	-------	------

Our financial adviser is Goodness Financial Advisor Nig Ltd; 325 innoson drive
Nnewi Anambra state, email: info@goodnessfinance.com.ng,

website: www.goodnessfinance.com.ng, telephone number: 08182234214

Our legal adviser is Stellamaris solicitors; 07 Ziks Avenue , Awka Anambra state.

Email: maduabuchisolicitors@gmail.com. phone number: 08033772738

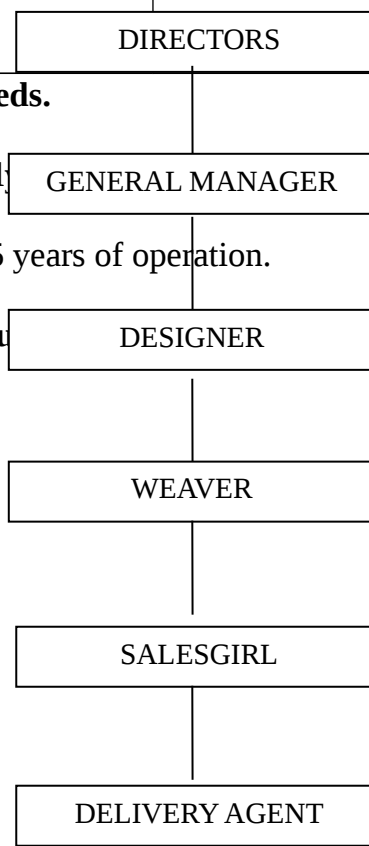
6.1 Management team

DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	B.SC in business management	4 years' experience as manager at Soluchris fashion world.	Overseas the day to day operation of the business.
DESIGNERS	OND and WAEC..	Have experience in designing and creating of styles.	Designs and creates outstanding fashion style.
WEAVER	WAEC	Experienced at weaving of clothes	Weaves already sewed clothes and gives it the final touches.
SALES GIRL	WAEC	No experience.	Arranges the sewing , materials , does the general cleaning, goes on an errands and sales out products to customers.
DELIVERY AGENT	WAEC	No experience.	Delivers clothes to the customers at their different places.

Our future management needs.

The company would currently have 5 staff members. The company would increase its number of staff to over 12 persons after 5 years of operation.

6.2 Organizational structure



6.3 The personnel plan

S/N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N50,000	N600,000
2.	Designer	3	N30,000	N1,080,000
3.	Weaver	1	N30,000	N360,000
4.	Salesgirl	1	N25,000	N300,000
5.	Delivery agent	1	N20,000	N240,000

6.4 Organization's values and norms

Courageous, decency and inspiration.

7.0 LEGAL, REGULATORY, SOCIAL, AND ENVIRONMENTAL ISSUES

7.1 Legal Issues

There are no legal issues for now.

7.2 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The fashion and designing house does not create any environmental hazard.

8.0 FINANCIALS

8.1 Equipments

S/N	INVESTMENT	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Land	2 acres	160,000	800,000
2.	Building	4	90,000	450,000
3.	EQUIPMENTS			

	i)Sewing maching	7	25,000	175,000
	ii)weaving machine	3	22,000	66,000
	iii) Furniture	3	15,000	45,000
	iv) Generator	1	52,000	52,000
	v) Nepa		8,000	8,000
	TOTAL INVESTMENT			1,596,000

8.2 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service Quantity	500	1,200	2500
Sales per unit	N30,000	N30,000	N28,000
TOTAL	15,000,000	36,000,000	70,000,000

8.3 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	2,580,000
FUELLING	43,500
TELEPHONE	24,000
ELECTRICITY	38,400
ADVERTISING	42,000
TOTAL EXPENSES	2,727,900

8.4 Working Capital Projection

8.5 Start Up Capital Needed

S/N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	2,409,000
2.	Working capital	540,000
3.	Pre-operating expenditures	1,000,000
	TOTAL	3, 949,000

8.6 Financing Plan

S/N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	2,700,000
2.	Grant	1,300,000
	TOTAL	4,000,000

8.7 Schedule of Depreciation

S/N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	52,000	12,000	10 years	4,000
2.	Sewing machine	25,000	3,800	5 years	3,640
3.	Weaving machine	20,000	2,500	5 years	2,500
4.	Furniture	15,000	2,100	3 years	3,300
5.	Electricity	1,500,000	450,000	15 years	70,000
	Total				N83,440

8.8 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	15,000,000	36,000,000	70,000,000
OTHERS	-----	-----	-----
NET SALES	15,000,000	36,000,000	70,000,000
LESS EXPENSES:			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
EQUIPMENTS	109,000	----	-----
SHOP	800,000	----	-----
BUILDING	450,000	----	-----
DELIVERY BUS	1,500,000	-----	-----
MAINTENANCE	74,000	87,000	92,000
MATERIALS	1,000,000	1,200,000	1,600,000
CLOTH DOMMY	270,000	382,000	410,900
TOTAL EXPENSES	6,930,900	4,396,900	4,830,800
PROFIT BEFORE TAX/INTEREST	8,069,100	31,603,100	65,169,200
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	8,069,100	31,603,100	65,169,200
LESS DEPRECIATION	83,440	83,440	83,440
TAXABLE PROFIT	7,985,660	31,519,660	65,085,760
LESS TAX (30%)	2,395,698	9,455,898	19,525,728

PROFIT AFTER TAX	5,589,962	22,063,762	45,560,032
NET PROFIT	5,589,962	22,063,762	45,560,032

8.9 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	15,000,000	36,000,000	70,000,000
RE-INVESTMENT			
TOTAL CASH IN	15,000,000	36,000,000	70,000,000
CASH OUT:			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
OTHER EXPENSES	4,203,000	1,669,000	2,102,900
TAX	2,395,968	9,455,898	19,525,728
TOTAL CASH OUT:	9,326,868	13,852,798	24,356,528
NET CASH FLOW	5, 673, 132	22, 147, 202	45, 643, 472

RISKS ANALYSIS AND MITIGANTS

9.0 RISK CONTINGENT ANALYSIS

S/N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to start work without deposit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

9.1 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.2 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in new investors or selling the business off.

10.0 OTHER CONSIDERATION, CONCLUSION AND RECOMMENDATION

10.1 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.2 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N5, 673, 132, N22, 147, 202 and N45, 643, 472, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.3 Conclusion/Recommendation

Based on the above information supplied about our planned fashion and designing business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.