BM564 Enterprise and Entrepreneurship

CW 2 Business Plan

Business Name

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Executive summary

A fashion and apparel business plan is going to be developed to create a sustainable and affordable fashion company. This plan will be proposed to attract environment conscious customers and will highlight the future of the business. Fashion-oriented and environmental concern customers have been selected as target customers. Style Spectrum Couture has aimed to redefine fashion as a force for good through transparency and providing stylish, sustainable designs. Style Spectrum Courture will focus on timeless, versatile designs that encourage longevity in wear. The company will initiate AI-based fitting technology to improve customer satisfaction. It has some innovative revenue models like rental and subscription services, and a resale platform to offer a sustainable alternative to fast fashion. Zara, H&M and Marks and Spencer are the main competitors of the business. Style Spectrum Couture will focus on using renewable materials to remain competitive in the global market.

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Introduction

A sustainable business plan is developed to achieve goals that create financial, societal and environmental sustainability. The study aims to develop a comprehensive business plan for a fashion and apparel business idea with its core features and functionality. Customers and competitors will be analysed along with the reasons for opting for products of the new business idea named “Style Spectrum Courture”. The budget of this project will be discussed along with its break-even analysis, and funding sources will be highlighted. Plans will be outlined to obtain the necessary tangible and intangible resources to support the business. The type of organisation that has been envisioned for “Style Spectrum Courture” to effectively control and monitor its operations and vision of the business will be explored in this study.

Proposed Future Business:

Description of “Style Spectrum Courture”

Style Spectrum Courture is a sustainable fashion and apparel business that blends ethical and sustainable practices with innovative design. This brand will focus on creating eco-friendly, timeless, and versatile clothing using organic, recycled, and biodegradable materials. The incorporation of slow fashion principles has reduced waste and emphasises quality over quantity (Voukkali *et al.* 2024). Style Spectrum Couture will employ fair trade practices, supporting artisans and local communities while ensuring ethical labour conditions. The business also integrates a circular economy model, offering clothing recycling programs and promoting upcycling initiatives. Style Spectrum Couture will aim to redefine fashion as a force for good through transparency, customer education and providing stylish, sustainable designs. Style Spectrum Courture focuses on timeless, versatile designs that encourage longevity in wear. The company uses AI-based fitting technology to reduce returns and improve customer satisfaction. It has some innovative revenue models like rental and subscription services, and a resale platform to offer a sustainable alternative to fast fashion.

Core features and functionality

Style Spectrum Couture is a fashion brand that focuses on offering a wide range of trendy and timeless clothing pieces. This is an affiliate clothing business that brings together collections from both well-known brands and up-and-coming designers. The approach to combine functional fashion with personal expression, providing consumers with clothing that is not only stylish but also practical for today’s lifestyles (Lee and Shen, 2024). The brand seems dedicated to delivering a curated fashion experience that connects various design styles and meets diverse consumer needs, while specific details are scarce.

Potential property Intellectual rights to safeguard the business

Style Spectrum Courture can safeguard its intellectual property through four primary types of protection-patents, trademarks, copyrights, and trade secrets. Intellectual property rights allow a business to make money from the intellectual property that is owned (GOV, 2022). This initiation of proactive business protecting property rights will help Style Spectrum Courture to maintain its competitive edge and increase its overall value. This will also aid in regular monitoring of the market for potential infringements and in implementing robust cybersecurity measures. These rights will limit access to confidential information of the business.

Customers:

STP

Segmentation

Demograpghic	Age group between 18-55 yrs; Both male and female customers of high and middle class society; Disposable income is£32,400 to £90,500 (Worldometers,2024)
Geographic	6.84 crores of people live in the UK as of 2023 (ONS,2023)
Behavioral	Frequent buyers prefer to interact with brands directly through social media.
Psychographic	Environmental conscious people

Table 1: Customer Segmentation

(Source: Self-created)

Table 1 is the customer segmentation that highlights that the age group between 18-55years is the first-time buyers. Both the middle class and high society people of the UK will be the customers to buy the products of Style Spectrum Couture. The company will operate as both B2B and B2C to achieve a competitive advantage in the global market.

Targeting

Customers who are eco-conscious and fashion lovers and who love to buy affordable and stylish collections are the targeting customers of the business. The main target segments for the apparel products are the fashion freaks that are between the age group of 18-55years.

Positioning

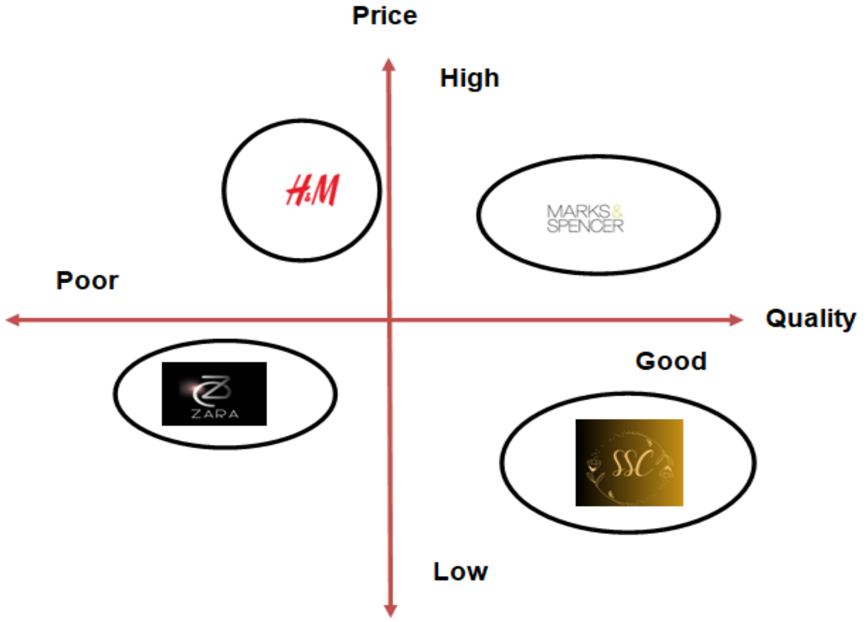

Figure 1: Positioning map

(Source: Self-created)

USP of the business

The USP of the brand is that it emphasises versatility and modern fashion, taking cues from current design trends that highlight adaptability, comfort, and visual appeal. The company will launch a rental service for high-quality apparel to offer a sustainable alternative to fast fashion. It will also initiate carbon-neutral operations by investing in renewable energy while producing clothing and apparel.

Competitors:

Factors	Competitor 1: Zara	Competitor 2: H& M	Competitor 3: Marks & Spencer
Annual Review	23.6%	12.64%	0.08%
Product quality	Dissatisfied	Highly satisfied	Satisfactory
Pricing Strategy	Value perception	Competitive pricing	Penetration pricing

Table 2: Competitors of Style Spectrum Couture

(Source: Self-created)

Table 2 shows the annual revenue, product quality and pricing strategies of the competitors of Style Spectrum Courture. The table has identified Zara, H&M and Marks and Spencer respectively as competitors of the business. Zara has been advancing towards a premium market from value perception, along with higher quality materials to satisfy its customers. Style Spectrum Courture has to focus on pricing strategy and product quality so that people opt for Style Spectrum Courture first rather than its competitors.

Reasons for opting products of the business

The clothing and apparel items of Style Spectrum Courture will offer exclusive and innovative styles that align with the buyer's taste. The cost of its products is less expensive, and can also drive interest in the recommendations from influencers. The products are aesthetic and will resonate with the stylistic preferences of its customers.

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Skills Analysis:

Existing Skills	Required Competencies
Knowledge on sustainability	Business and financial acumen
Creativity and design	Effective marketing and branding
Leadership and collaboration	Technical and operational skills

Table 3: Existing skills and required competencies

(Source: Self-created)

Table 3 highlights the existing skills and required competencies to make the business customer-centric. The existing skills are knowledge on sustainability, creativity and design and leadership and collaboration, respectively. Skill sets are very crucial to escalate a startup and are needed to grow the engraving the business (Brozovsky *et al.* 2024). It is important to have enough business and financial acumen, effective marketing and branding and technical and operational skills to make the business effective.

Projected Financials:

Assumptions

Sales growth: 10% per year

Cost of goods and sales: 60% of sales

Operating expenses:20% of sales

Tax rate: 20%

Profit and loss account (In pounds)

Year	Revenue	COGS	Gross Profit	Operating expenses	Operating Profit	Tax	Net profit

Year 1	100,000	60,000	40,000	20,000	20,000	4,000	16,000
Year 2	110,000	66,000	44,000	22,000	22,000	4,400	17.600

Table 4: Profit and Loss accounts

(Source: Self-created)

Cash Flow Forecast (In pounds)

Year	Inflows	Outflows	Net Cash Flow
Year 1	100,000	80,000	20,000
Year 2	110,000	88,000	22,000

Table 5: Cash flow forecasts

(Source: Self-created)

Break-even analysis (In pounds)

Sales	Variable costs	Fixed Costs	Contribution margin	Profit/Loss
0	0	20,000	0	-20,000
50,000	30,000	20,000	20,000	0
100,000	60,000	20,000	40,000	20,000

Table 6: Break-even analysis

(Source: Self-created)

The above tables are the profit and loss accounts, cash-flow forecast and break-even analysis of the business, respectively. The inflows are the revenue of the business, and the outflows are the COGS, Operating expenses and Tax. The break-even point of the business is 50,000 pounds in sales. Further analysis and adjustments might be necessary based on specific market conditions and operational factors. The break-even point is the level of sales and production at which the total revenue of the business is equal to its total costs that resulting in neither profit nor loss. It is a critical metric that will help to determine how much Style Spectrum Courture need to sell to cover the costs.

Funding Sources:

Capital investments

Capital investment will be implemented as a funding source for this business. This includes debt financing, angel investors, venture capital, retained earnings and equity financing. Debt financing is one of the processes of capital investments that involves bank loans and lending money from money lenders(Hristodorov *et al.* 2024). Debt finances and angel investors will be chosen for this business as they provide seed funding to this business. When approaching angel investors, the unique value proposition, market potential, and scalability must be emphasised by the business. A clear plan for funding allocation and projected returns must be presented in front of angel investors to align with the expertise and interests of the investors.

Crowd funding

Crowdfunding can be a valuable source for the business and has key advantages, including accessibility, community building, market validation and flexibility. Crowdfunding is a valuable tool for businesses seeking alternative funding sources (Bargoni *et al.* 2024). This has been chosen for the business as it would serve as a powerful validation for a business idea. Crowdfunding must be leveraged to raise funds by engaging and approaching with target audience directly. A compelling campaign must be crafted with clear goals, enticing rewards, and a strong story. Showcase transparency, progress through the utilisation of social media and networks to amplify reach.

Resource Acquisition:

Resource type	Details	Acquisition method	Management strategy	Estimated cost (in pounds)
Inventory	Fabrics, raw materials, production tools	Supplier contracts, bulk purchase	Inventory management software	30,000
Office space	Office setup, Furniture	Leasing commercial space	Space optimisation, lease management	10,000
Design software	Auto CAD tools, design platforms	Licensing and subscriptions	Software training and regular updates	5,000

Marketing	Branding, advertising, and content creation	Digital marketing tools, collaborations	Social media campaigns, content scheduling	7,000
Website development	E-commerce platform	Web development services	Ongoing maintenance	8,000
Staffing	Designer, pattern makers	Hiring platforms, talent acquisitions	Training, payroll engagement	25,000

Table 7: Resource Acquisition for Style Spectrum Couture

(Source: Self-created)

A total cost of 85000 pounds is going to be allocated to acquire and manage resources, including estimated costs and strategies.

Organisation and Management Information Systems:

Style Spectrum Couture is envisioned as a fashion brand with a hierarchical structure that includes design, production, marketing, and sales departments. This type of organisation will focus on maintaining control and ensuring efficiency across all stages of the apparel and fashion supply chain. The hierarchical structure in the fashion industry typically includes top-level executives (CEO, Creative Director), mid-level managers (Design Managers, Marketing Heads), and operational staff (Designers, Buyers, Merchandisers). It flows from strategic decision-making at the top to design, production, and retail operations at lower levels, ensuring cohesive brand development and market success. Management Information Systems required for Style Spectrum Couture include inventory management systems, sales tracking platforms, customer relationship management (CRM), and production scheduling tools. MIS helps in monitoring real-time data, streamlining communication, and providing insights into operations, allowing for effective decision-making (Rivard, 2024). The Contingency Theory of management will guide Style Spectrum Couture, emphasising flexibility in leadership styles and organisational structures based on external and internal factors, ensuring adaptability to the ever-changing fashion market.

Vision for Your Business: The main vision of the business is to come up with sustainable and eco-friendly clothing and apparel items at low costs with good quality. The company will focus on developing eco-friendly clothing with the use of organic and biodegradable materials, with the use of AI tools to provide a perfect design.

Conclusion:

Based on the above study, it has been concluded that a business plan named Style Spectrum Couture is going to come up with its new fashionable apparel products. This business plan will help in attracting eco-conscious consumers, secures investors' confidence and be adaptable to evolving regulations and market demands. The funding sources that have been selected for the business are angel investors and crowdfunding. A detailed budget plan of the business will be showcased to them so that they can invest in the business. Style Spectrum Couture is going to develop eco-friendly clothing materials and apparel using biodegradable materials and AI to make a perfect design.

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