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A BUSINESS PLAN FOR THE INTRODUCTION OF A NEW CLOTHING LINE INTO THE FASHION LOCKS INDUSTRY. THIS PLAN IS PREPARED BY UNISEX INTERNATIONAL, LAGOS STATE, NIGERIA.

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Executive Summary:

Fashion Locks Industry is an organization that deals with the designing and manufacturing of textile for over 32 years. Based on the change in the fashion style of people and the change in behavior of people, the management decided to increase the product of textile by adding another fashion line to the industry. Clothing is one of the basis need of life, it has to also with the change in climate of the environment. The industry wants to ensure that the appropriate forms of clothing are people for and supply into the market. The industry deals with the production of textile for both gender (male and female) and for all classification of persons in the society i.e. children, adults and old people.

Introduction:

Fashion Locks Industry is an enterprise, established for the production of clothes. It is Located at 15, Ali Baba express way, Abuja. The business came into begin 32 years ago as a result of a partnership between the foundling families of the Industry.

Description of the Venture:

Fashion Locks Industry produces clothes for both male and female species in different size and different color. The main target of the market is at the production of female clothes this is because in the nature if the women in the society, changing fashion are something that cannot be evicted. Women get to want to change the style of the clothes more frequently can the males.

Industry analyses:

Most the used fashion line in Nigeria are usually for outside the country which means that clothes are also imported into the country. Nigeria is a country with a few companies dealing with the production of clothes. Most of the cloth wore by Nigerians are usually foreign outfits and they do not indicate the beauty of our various and diverse culture in Nigeria. In order to improve our culture and traditions, one of the ways this can be achieved is by the way that people dress around us. Nigeria is a heterogeneous society with people displaying different cultures and traditions, the way people dress also tells people more about their culture. The introduction of a new clothing line that we deal mostly in the production of different traditional

outfit will make people closer to their culture. This will also help to in reducing the rate at which textile are imported into the country.

Market analyses:

The industry will supply clothes to every part of the country. The Eastern people are known to respect and values they culture and one of the ways to do this is by the attires that they wear. The Northern people are majorly Muslims; provide attires that deal with the Islamic religion to this part of the country will also be advisable. The Western region is a mixture of both the Christians and the Muslims. No specific they of clothes can be supply to this part.

Strategic Human Resources Planning:

At the start of the business, the production of the new style of the fashion line will not be in a huge or bulk manner, in order to see the altitude the consumers to the new introduced line. At least, three supervisors are going to be employed to operate at the factory. A financial manger which can also be referred to be the accountant will also be part of the team and a general manager. Staffs that will majorly works at the company are going to be cultivating and harvesting, performing the preparatory processes, spinning, weaving and finishing of the fabrics.

PROJECTED STAFF STRENGTH:

Title	Year 1	Year 2	Year 3	Year 4
Supervisor	3	5	5	5
Financial manager	1	1	1	1
General manager	1	2	2	2
Bale breaker	6	10	10	10
Cultivators and harvesters	15	24	37	57
Breaker scutcher	7	9	9	9
Finishing scutcher	8	10	10	10

Comber	6	8	8	8
Winding shedder	4	6	6	6
Weaver	7	8	9	9
Cleaner	10	15	20	20
Security	7	8	9	9

PROJECTED TOTAL COMPENSATION PACKAGE PER ANNUM

Supervisor	- 450,000
Financial manager	- 400,000
General Manager	- 360,000
Bale breaker	- 280,000
Cultivators and harvesters	- 600,000
Breaker scutcher	-250,000
Finishing scutcher	-200,000
Comber	- 150,000
Winding shedder	-170,000
Weaver	- 220,000
Cleaner	- 100,000
Security	- 130,000

Sponsorship

The project is sponsored by the Ali Baba Group. The Ali Baba Group is a Foreign Industrial conglomerate, founded in West Africa and one of the largest on the African continent. The group employs more than 30,000 people, generating revenue in excess of US\$ 4.1 billion in

2017. It deals with the style of clothes, it is also majorly used to become as an online line shop platform.

Production Plan:

The production process starts from the cultivating and harvesting of cotton, to the last stage of process of production which is weaving. The production process deals with the transformation of the cotton into new fibres. It starts from the blowing room, at this stage, the bale breaker, the breaker scutcher, finishing scutcher and the willowing of the cotton is done. After the blowing room is done with the various processes, it moves to the carding room. At the carding room, the silver lap, combing, drawing, slubbing, intermediate, roving and spinning is conducted. At this point, the processes are carried out together in order to have a better result.

When the blowing room is done, the cotton moves to the carding room and then to the spinning room. The next stage after carding is spinning. This involves the mule spinning, ring spinning, reeling, doubling, winding, bundling and bleaching. When this stage is complete, the last stage of production is the weaving shed. At this point, winding, beaming, cabling, warping, gassing, sizing/slashing/dressing and spooling. When all this different stages are conducted, the production process of the cotton is completed.

Organizational Plan:

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure which shall consists of officials from the Fashion Locks Industry, Unisex International and Ali Baba Group. This will be made up of shareholders and members for the three different organizations, who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities. The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Government Support and Regulation

The project conforms to the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the fashion sector. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

Financial plan:

Year one

<u>Raw materials & components</u>	#'000
Opening stock	-
Purchases	3,400,450
Carriage on purchase	<u>1,500,000</u>
	4,900,450
Closing stock	<u>2,000,000</u>
Issued to production	2,900,000
Direct labor	1,000,000
Other direct expense	<u>500,000</u>
Prime cost	4,400,000
<u>Work overheads</u>	
Rates	250,700
Insurance	450,000
Heat, light, power	1,450,000
General repairs in the factory	750,000

Miscellaneous		<u>370,000</u>	<u>700,000</u>
Factory input or works cost of production in one year			<u>3,500,000</u>
Works cost of finished goods output		#	
Transferred from manufacturing account		3,500,000	
Opening stock of finished goods		-_____.	
Total cost of produced goods		3,500,000	
Closing stock		-_____.	
Costs of goods to be sold		3,500,000	
Sales		<u>4,700,000</u>	
Gross profit		1,200,000	
Administrative/ selling expenses	750,000		
Rent	500,000		
Distribution expenses	<u>1,000,000</u>	<u>1,100,000</u>	
Profit before interest and tax		800,000	
Interest on loan		<u>200,000</u>	
Net profit before tax		600,000	
Taxation		<u>350,000</u>	
Profit after tax		<u>250,000</u>	

Proforma Balance Sheet for (relevant) two years

Year one

Fixed assets	#	#	#
	Costs	Dep	
Factory machine and			

Office equipment	<u>2,300,000</u>	<u>3,700,980</u>	<u>3,500,000</u>
Currents assets			
Closing stock (raw material)		1,200,600	
Debtors		4,600,000	
Cash		2,567,000	6,900,000
Current liabilities			
Creditors		2,400,000	
Loan		3,000,000	<u>5,400,000</u>
Working capital			<u>2,300,000</u>
			<u>3,100,000</u>
Financed by;			1,900,000
Capital			<u>1,200,000</u>
Net profit			<u>3,100,000</u>

Conclusion

The project is technically feasible and commercially viable. It is therefore recommended for funding.