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COURSE: ENTERPRENURSHIP

MATRIC NUMBER: 18/LAW01/077

BUSINESS PLAN ON CHIDUBEM AFRICAN LUXURY WEARS
ASSIGNMENT.

Using a company or business of your choice, write a good and customised business plan, covering all relevant aspects and analyses.

INTRODUCTION

Business plan of Chidubem African luxury wears is an establishment that will sell fashionable clothing to Africans, African-American and people intrested in beauty of our African prints.

Executive Summary/ Project Description

This business plan examines the feasibility of and indeed economic viability of the development of African luxury wears is a new apparel store that caters to the African community all over the globe with our fashionable Ankara prints and unique styles. As our name suggests our focus is to provide African wear apparel and accessories, and position ourselves as the top retail store servicing this particular market.

Our intentions are to obtain 80% market share and become a central hub of shopping activity for the local African population as well African- Americans others who enjoy wearing African arties and prints apparel. African luxury wears would be located at Abuja the heart and capital of Nigeria, warehouses and workshops at Gariki market, Obasanjo block, In turn, we would hope to penetrate a sizable portion of the online retail market. We believe that this is critical to our initial success and long-term growth.

Management

Chidubems African luxury wears is organized as a partnership among the two partners of Franklin .A. Miller and Karen L. McCoy. Chandra E. Miller will handle all administrative and managerial duties while Derrick L. McCoy acts as a silent partner.

TECHNICALITY

It is imperative that an advanced inventory and point of sales program be utilized to maintain stock levels and track sales. Chidubems African Luxury wear will utilize Peachtree Accounting software for all financial and accounting purposes. For inventory management and point of sale transactions we will utilize (Inventory Control Expert) software. This product is a Windows-based software that allows the small, single store retailer to manage their inventory and point of sale functions all in one.

Our business plan will be generated and reviewed on a bi-annual basis using the most updated version of Business Plan Pro from Palo Alto Software and reviewed quarterly to ensure all financial goals and objectives are being reached. Palo Alto's companion software, Marketing Plan Pro, will allow us to make the most of our limited marketing budget by focusing our communications on our target markets and enhancing our marketing knowledge

Market and Sales

Chidubem luxury Wear will use a targeted advertising and sales program to generate publicity and build a customer base.

1. 2,500 full-colour postcard flyers would be distributed through out and a grand opening event.
2. 200 grand opening invites will be mailed to potential new customers two weeks before the grand opening in June, 2021. The invitation will also include a promotional 10% coupon off a customer's first purchase. The customer mailing list has been compiled from contacts the owners have made while in the community.
3. 5,000 business cards would also be distributed

Start-up Summary

Chidubems African luxury Wear's incorporation costs are listed below. The company will start with three months inventory on hand for apparel and accessories as this is the main revenue generator. The majority of the company's assets will reside in inventory. The opening days cash on hand balance will be 1.5 million.

The purpose of this business plan is to secure a 6.5 million loan. This supplemental financing is required to work on site preparation, inventory, and operational expenses. The loan amount appears in the long-term liability row of the start-up summary. Successful purchase of a wear house in the stated location.

START-UP FUNDING	
Start-up Expenses to Fund	\$9,416

Start-up Assets to Fund	\$14,384
TOTAL FUNDING REQUIRED	\$23,800
Assets	
Non-cash Assets from Start-up	\$14,000
Cash Requirements from Start-up	\$384
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$384

Competition analysis

Chidubems African luxury wears has a number of advantages that will allow us to build our brand identity, add value to our merchandise and build a loyal customer base while standing apart from our competitors.

4. The chidubem Shopper Card' will entitle customers to a 15% discount after ten purchases.
5. We will offer clothing to fit plus-size women and big and tall men.
6. We will create a sense of culture and bonding with the community by offering products that combine both the African-American cultures.
7. Our location is central to our target customer base.
8. We will maintain a detailed record on each customer, logging addresses, their purchases, size, and brand for customer follow-up and in-house promotional purposes.

Market Analysis Summary

The primary target customer of Chidubem luxury Wear will be the African-American located at Abuja. As we are situated in the epi-center of their residential community we believe they will make up the largest percentage of our customer base.

The secondary target customers are the African - American community in the area. As the population continues to grow rapidly in the south central area we expect to receive the patronage as they are very loyal to western apparel.

Sales Forecast

The following table and chart give a highlight on forecasted sales. We expect sales to start off conservatively and increase extensively during the Christmas holiday shopping season and new year. We have planned an increase in growth of about 15% which would help bust sales

SALES FORECAST			
	YEAR 1	YEAR 2	YEAR 3
Unit Sales			
Clothing	5,175	6,728	8,746
Belts & Hats	285	371	482
Jewelry & Gifts	560	728	946
TOTAL UNIT SALES	6,020	7,826	10,173
Unit Prices	Year 1	Year 2	Year 3
Clothing	\$50.00	\$50.00	\$50.00
Belts & Hats	\$50.00	\$50.00	\$50.00
Jewelry & Gifts	\$20.00	\$20.00	\$20.00
Sales			
Clothing	\$258,750	\$336,375	\$437,288
Belts & Hats	\$14,250	\$18,525	\$24,083
Jewelry & Gifts	\$11,200	\$14,560	\$18,920
TOTAL SALES	\$284,200	\$369,460	\$480,290
Direct Unit Costs	Year 1	Year 2	Year 3
Clothing	\$25.00	\$25.00	\$25.00
Belts & Hats	\$25.00	\$25.00	\$25.00
Jewelry & Gifts	\$10.00	\$10.00	\$10.00
Direct Cost of Sales			
Clothing	\$129,375	\$168,188	\$218,644
Belts & Hats	\$7,125	\$9,263	\$12,041
Jewelry & Gifts	\$5,600	\$7,280	\$9,460
Subtotal Direct Cost of Sales	\$142,100	\$184,730	\$240,145

Financial Plan

The growth of chidubem African luxury Wear will be moderate and the cash balance will always be positive. Being a retail environment we will not be selling on credit. We will accept cash, checks, and all major credit cards. TeleCheck Services will be used as the check guaranty system to help reduce the percentage of loss on bad checks. Marketing and advertising will remain at or below 5% of sales. We will continue to reinvest residual profits into company expansion, and personnel.

GENERAL ASSUMPTIONS			
	YEAR 1	YEAR 2	YEAR 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	30.00%	30.00%	30.00%
Other	0	0	0