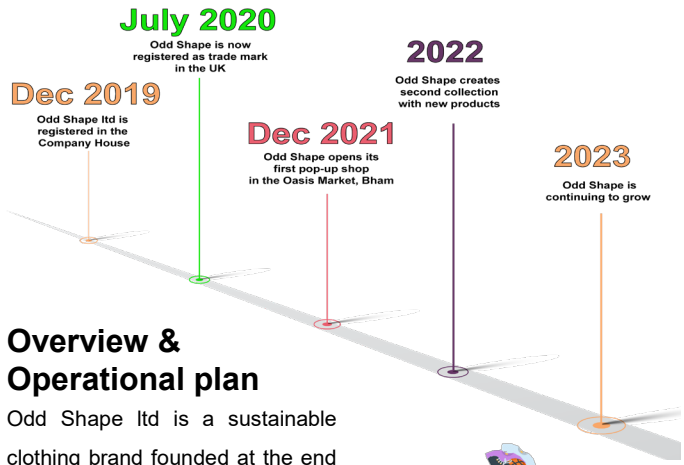


Overview & Operational plan

Odd Shape ltd is a sustainable clothing brand founded at the end of 2019. The company operates via Shopify e-commerce platform and works with Print on Demand suppliers who operate under ethical and fairtrade standards.

Legal form & Ownership

Odd Shape is a private limited company with two equal shareholders.

Company's Founder, Director and Designer is Slavena Panayotova.

Values

Odd Shape is a carbon neutral and climate friendly workforce, offsetting its footprint with ecologi.com. Sustainability is a core value of the company, therefore the company is aiming to broaden the range of organic and recycled products, while reducing its operational carbon footprint.

387 trees planted

Ecologi | climate friendly workforce

Organic Sustainable Odd Shape Ethical Funkywear

SWOT

Strengths

- ☻ Print on demand model.
- ☻ Unique designs.
- ☻ Simple shipping all over the world.
- ☻ Wide range of products.
- ☻ Process managed by software.
- ☻ Online store – no expenses for office.
- ☻ Flexibility in the product/design range.
- ☻ Environmentally and socially responsible.
- ☻ Registered trademark.

Weaknesses

- ► Lack of control over the production and shipping processes.
- ► Dependence on the functionality of the platform (Shopify) for a major part of the business.
- ► Smaller profit margin per item, compared to traditional model of manufacturing.
- ► Competitive market

Opportunities

- ☻ Countless opportunities for collaboration.
- ☻ Access to global markets.
- ☻ Collaboration with other retailers
- ☻ More organic/recycled products.

Threats

- ► Constantly increasing number of competitors.
- ► Exceeding company capacity.
- ► Potential issues due to outsourcing the printing.

Products

Most of the brand's products are from certified organic and recycled materials, printed with high-quality water-based inks without toxic ingredients, certified with Oekotex Class 1 standard, and approved for use on baby products.

Target Customers

Retailers, Teenagers, Urban culture fans

Pricing

Prestige and competitive pricing justified by the quality

Promotion

Social Media Marketing, SEO, Influencers

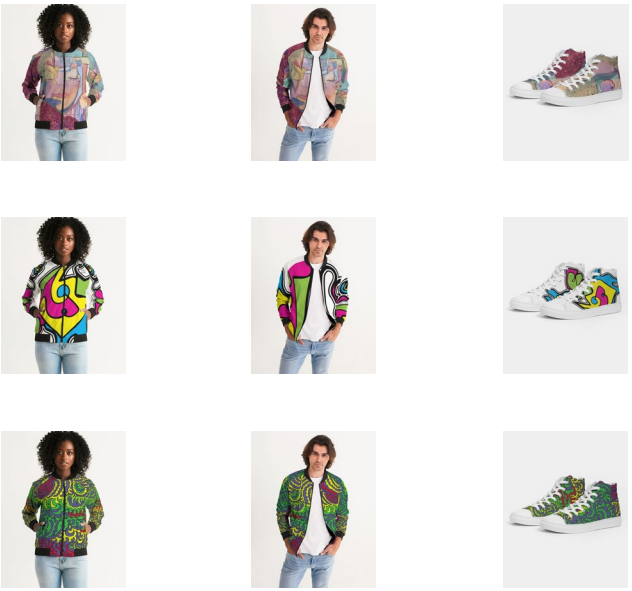
Place of operations

Digital platform with own online store.

Designs

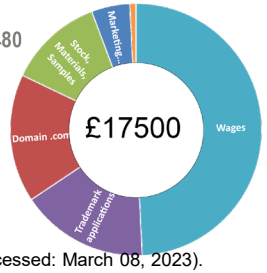
Odd, original, peculiar, awkward, extraordinary, weird, irregular, strange, unique, exceptional..

Based on doodles, photos and paintings, inspired by surrealism and the asymmetry in the nature, they embrace the bizarre, trying to provoke the mind to make up its own association.



Required Funding

Marketing and advertising expenses	£1050
Stock, Materials, Samples	£2600
Wages	£10480
Domain .com	£3500
Trademark applications	£3500
Other	£170



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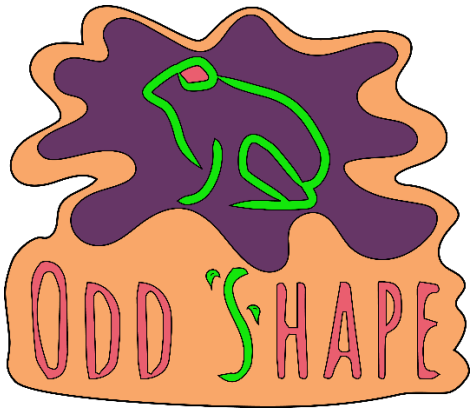

A sustainable clothing brand

Developed by: Slavena Panayotova (1906636)

Module: Entrepreneurship (LCMB7004)

Lecturer: Vasilios Tavlaridis

University of Wales Trinity Saint David

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1. Company Overview

Odd Shape ltd. is a sustainable clothing brand with original designs founded in 2019 and registered as a Trademark in the UK. The company works with Print on Demand (PoD) manufacturers and suppliers who operate under ethical and fairtrade standards.

The PoD service is a convenient way for new brands and designers to enter the market with minimal investments, no contracts and stocking – the designer simply choses a white label product, puts their design on it and puts the final product in their store (Shopify, 2022). When a purchase is made the manufacturer receives the order, fulfills, and ships it directly to the customer, even for single items (Gallagher, 2014).

Most of the products are from organic or recycled fabrics, and certified with Oeko-tex Standard 100, which guarantees that every component of the garment, including every thread, button, and other accessory, has been tested for and free from harmful substances, certified with, and approved for use on baby products (OEKO-TEX Service GmbH, 2023).

The product gamma includes t-shirts, sweatshirts, hoodies, jackets, sneakers, backpacks, for women and men, kids, and babywear, with original designs, from organic/recycled or ethical materials.

Odd Shape is also a carbon neutral and climate positive workforce offsetting its footprint with ecologi.com. Sustainability is a core value of the company, therefore the company is aiming to broaden the range of organic and recycled products as it grows, while reducing its operational carbon footprint. The company aims to gradually expand shipping destinations as well, starting from Europe, USA and Australia, and to partner with other (global) retailers.

2. Legal status and Location

Odd Shape is a private limited company with two equal shareholders. The company is based in Birmingham, UK and operates via online store https://oddshape.co.uk, currently available only for UK customers.

3. Business Model Canvas

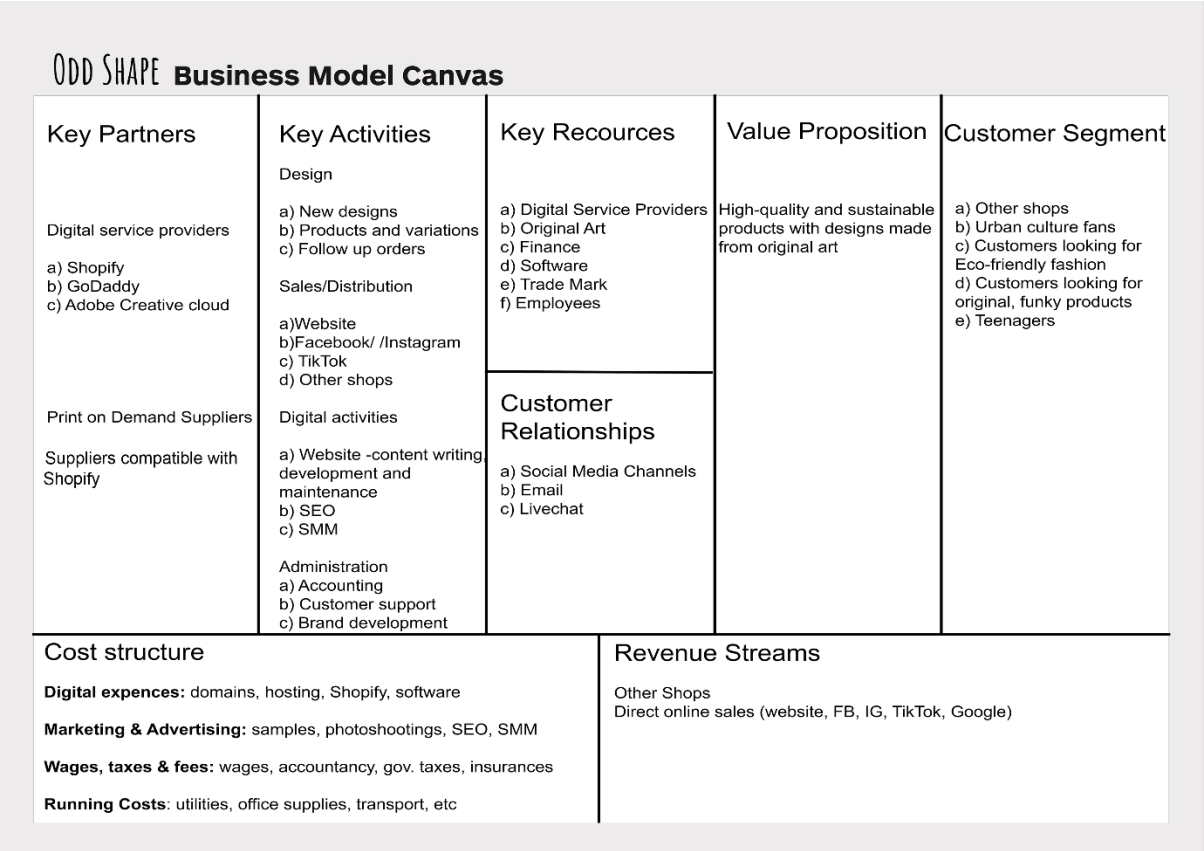
The purpose of the Business Model Canvas is to convey the main components of the business - partners, activities, resources, UVP, customers, cost, revenue streams, and therefore, to illustrate the concept of the business model (Mcfarlane, 2017).

Since Odd Shape is an entirely online based business, its Key Partners are the digital service providers and print on demand suppliers.

The Key Activities are divided in four conceptual groups: Design, Sales, Digital Activities,

and Administration.

The Design group includes all the creative processes related to creating a product. The Sales, illustrates the different sales channels operated by the company. The group of the Digital Activities relates to the digital marketing. Lastly, the Administration group activities refer to bookkeeping, customer support and brand development.



4. Operational Plan

The Operational Plan illustrates the main chain of events in Odd Shape's activities.

It starts with a design created on paper or canvas, and then transferred to a graphic software such as Adobe Photoshop and/or Adobe Illustrator for digital editing. Once it is ready, the design then is placed on different products. After the products are created, they are imported to the online store (the Odd Shape's website), using the Shopify e-commerce platform, and then advertised on social media. When an order arrives, it is sent to the manufacturer, who then prints and ships it directly to the customer. This service called Print on Demand (POD), gives endless flexibility in the design and customisation variations of the products, at no further cost (Greenstein, 2022). The model eliminates the need of storage and pre-ordering, which allows the creation of more designs and products without further investment resulting in larger product gamma.

5. Management and employees

5.1. Current employees

The Company has two shareholders - one silent partner, and one fulfilling the roles of a director and a designer:

S Panayotova, MBA General Management – Corporate Finance Student in UWTSD, Birmingham.
Related experience:
Fashion Retail (1 year), Business Administration (5 + years), Management (5 years).
Qualifications: BA in Leadership and Management Skills for the Workplace (2019-2022), INTEGRA Business Course (2007).

5.2. Required Employees

The company has reached a point when additional employees are required to ensure smooth operations and growth – an Administrator, a Marketing Specialist, and a Photographer.
The role of an Administrator would be to maintain and update the website and providing basic Customer Support.
The Marketing Specialist would be engaged mainly with Social Media Marketing and SEO and could be part time or external employee.
The Photographer would be needed for pictures of new products, and could be hired on the occasions.

6. Odd Shape ltd SWOT Analysis

SWOT Analysis is a business strategy tool used to compare a company to its rivals by exploring its strengths, weaknesses, opportunities, and threats (Teoli, Sanvictores and An, 2019).
Odd Shape is an online based company, operating on PoD business model which determines the following characteristics in a SWOT Analysis:

Strengths	**Weaknesses**
1. Flexible trading model – Print on demand. 2. Unique designs 3. Simple shipping all over the world via Shopify. 4. A wide range of manufacturers and products. 5. Process that is entirely managed by software. 6. Online store – no expenses for storage, rent and bills.	1. Lack of control over the production and shipping processes. 2. Dependence on the functionality of the platform (Shopify) for a major part of the business. 3. Profit margin per item is smaller, compared to traditional model of manufacturing. 4. Competitive market

7. Flexibility in the product and the design range depending on the demand of the market. 8. An environmentally and socially responsible company model, which is aligned with the sustainability trends worldwide. 9. Registered trademark	
Opportunities 1. Through Shopify and other ecommerce platforms, there are countless and easily accessible opportunities for collaboration with manufacturers from all over the world. 2. Access to markets all over the world with no other investment than trademark. 3. Collaboration with other retailers 4. Further development of the organic/recycled range of products and the overall brand sustainability	**Threats** 1. Constantly increasing number of competitors. 2. Exceeding company capacity if not expanding proportionally to the growth of orders. 3. Potential problems in the supply chain, due to outsourcing the manufacturing (printing).

Strengths

1. The “PoD” model enables retailers to sell products without prepaying and pre-ordering them. When a client makes a purchase in the store, the order goes automatically to the assigned manufacturer, which then fulfills and ships it straight to the client. This also means no warehouse expenses. Even so, it is advised to have some credit with the supplier, so the order could be placed right away.

2. Odd Shape produces its own designs, which are unique and unconventional, and does not rely on external artists.

3. The Shopify platform incorporates variety of features across different platforms, which makes it convenient to use, instead using them separately. Those features include but are not limited to easy integration with numerous manufacturers’ and service providers’ platforms, marketing, SEO, inventory, statistics, rates and taxes, and shipping globally, including setting shipping rates, and VAT algorithms, choosing manually a courier service for the products according to the shipping zones and products, or using the default provided by the manufacturers.

4. 5. 6. 7. Easy access to countless products and manufacturers enabling quick changes in the inventory, if needed without interruption of the operations. The store operations could be all done via Shopify, which can even calculate taxes and generate reports for accounting. The convenience of the automated process enables the store owner to focus on other areas such as Design, Marketing etc. Using an e-commerce platform eliminates warehousing rent, bills and salary expenses and allows significant flexibility when choosing or changing products, manufacturers, prices, etc.

8. The businesses model and philosophy are based entirely on sustainability principles supporting good practices beneficial for both- the environment and the society. That also creates a positive corporate image which could be an asset on its own.
9. The brand “Odd Shape” is a registered trademark in UK with intention and potential to expand to EU, USA and Australia.

Weaknesses

1. The lack of control over the process is the main weakness but it is unavoidable due to the nature of the business model, based on PoD with external manufacturers and suppliers. However, all the parties using the Shopify platform must comply with its terms and conditions, which provide certain guarantees. Additionally, the company has established a relationship with its suppliers over the last two years of its operations and they have proven to be reliable so far. Once the company reaches stability it will aim to reduce PoD orders and place bulk orders on some products, to reduce the production price.
2. Shopify provides an already established infrastructure with lots of “short-cuts” accelerating the process, instead of having to create everything from scratch. Nevertheless, that convenience makes the business entirely dependent on the platform and its limitations, which should be reviewed as a model once the business is stable enough. The main disadvantages are monthly and transactional charges, complexity, website limitations, and lack of tailored functions, which one would have in a custom designed website.
3. Even though the profit margins are lower due to outsourcing the manufacturing and the shipping that is compensated with time – it takes much shorter period to get a clothing business running, compared to the traditional methods involving major investments and arrangements in the beginning.
4. The lack of physical stores slows down the brand awareness, but there are many possibilities for collaboration with physical stores in the future and various other ways for promotion.

Opportunities

1. Shopify and other e-commerce platforms provide countless possibilities for instant and reliable B2B collaboration, which is their very purpose in a first place.
2. Accessing worldwide markets requires only registering a trademark, as Shopify has the needed infrastructure to manage orders globally.
3. Collaboration with physical and online retailers is one of the company’s priorities, for both- brand awareness and increasing number of sales.
4. More and more businesses are shifting towards sustainable business models to match their beliefs. Odd Shape has strong foundations in sustainability, being one of its core values. The ultimate goal of the brand is to reach 100% organic/recycled/eco-friendly range of products in order to have rather positive impact on the environment.

Overcoming Threats

1. The number of competitors constantly grows, as more and more brands or designers shift to sustainability. But that also increases the manufacturers and the chances for potential partnerships. Nevertheless, the brand can compete with its original designs, and competitive prices.
2. One thing that could ruin a new small business is taking more orders that it could handle. A way to prevent that is taking small and measured steps forward, as well as constantly revaluating the development of the business plan and adjust accordingly. As example hire more employees once it starts growing.
3. Preventing or resolving potential problems with suppliers or manufacturers is a key element of the operations, as the production is entirely reliant on external suppliers. Therefore, before placing a significant order a research and test of the manufacturers should be performed and change them if necessary. For most of the products there are “spare” suppliers, as the manufacturer works with several print shops operating in the UK.

7. Marketing

Certainly, the marketing aspect carries significant importance as it represents the link between the creation of a product or service and its introduction to the target audience, or in other words – what a business should do to create value for its clients (Silk, 2006). Therefore, choosing a suitable marketing strategy could be crucial for success. Marketing is a very broad term but could be briefly examined by looking at four of its aspects – target market, promotion, objectives, and pricing.

7.1 Odd Shape’s Target Market

The designs are extraordinary, unexpected, bizarre, and bright which makes them attractive to younger generations. Therefore, the biggest target groups are teenagers and millennials. The next most significant group are people of all age who attend extreme sports and/or like the urban and underground culture. Other target group are people of all ages who are seeking for sustainable fashion, small independent brands and like to stand out of the crowd. Last, but not least, other retailers with similar audience are desired as partners, as every retailer has already established audience and promotion channels.

7.2 Promotion

A priority would be to establish partnerships with other retailers, to access their audience and promotion potential. That would help to significantly increase the brand awareness and boost sales.

Company would also use its own social media channels and Google to promote its products and run advertising campaigns, as well as use influencers when additional promotion is needed. The main chosen methods of promotion are Social Media Marketing (SMM), Search Engine Optimisation (SEO), Social Media Influencers.

SMM and SEO are the chosen for marketing and advertising because it provides transparent connection between the company and potential customers (Evans, Bratton and McKee, 2010), but also because:

- The store is online, so it makes sense to look for customers online.
- Fastest way to advertise.
- The most precise targeting, which makes it very efficient.
- Not expensive – it is paid per click when a potential customer responds to the ad.

Working with social media influencers with followers from our target groups is a direct approach to a big audience at once, quite efficient for raising brand awareness.

7.3. Odd Shape's Marketing objectives

- To bring brand awareness
- To attract customers and partners
- To promote sustainability in the textile industry
- To support environmental and social causes

7.4. Odd Shape's Pricing strategy

Odd Shape has adopted the prestige pricing strategy, which is justified by the fact that the products are manufactured, printed, and distributed in compliance with the Organic, Vegan, Fair Trade, Fair Wear certificates on every stage of the process. They have high quality and are orientated to customers with high expectations for quality, origin, and design. Even so, the prices are very competitive, being slightly lower than the average competitors' prices.

8. Odd Shape's Cash flow forecast

Odd Shape financial forecast starts at April 2023. The company needs financing of £17500 to fund its operations, development and to generate profit. The biggest expenses faced by the company are the purchase of a domain ".com", applications for trade marks in the United States and in the European Union. The company needs to order samples of its new products and to hire the required employees. Part of the budget is designated for marketing purposes, loan repayments, and for accounting and membership fees.

Select your starting month:	April													
		MONTHS												
Cash in-flows	**Description (as required)**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTAL**
Total anticipated sales		£77	£673	£916	£1,400	£3,521	£6,004	£11,822	£16,270	£30,557	£22,730	£28,071	£44,166	£166,208
Enter other		£17,500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£17,500
	Total cash in-flows (A)	**£17,577**	**£673**	**£916**	**£1,400**	**£3,521**	**£6,004**	**£11,822**	**£16,270**	**£30,557**	**£22,730**	**£28,071**	**£44,166**	**£183,708**

		MONTHS												
Cash out-flows	**Description**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TOTAL**
Total anticipated cost of sales		£43	£388	£523	£945	£2,907	£4,959	£10,303	£14,193	£24,581	£18,383	£22,871	£35,573	£135,668
Telephone and internet		£0	£0	£0	£0	£10	£10	£20	£20	£20	£20	£20	£20	£140
Marketing and advertising expenses	Facebook, Instagram, Google ads, influencers	£0	£0	£500	£50	£50	£50	£50	£200	£200	£50	£50	£200	£1,400
.com		£3,500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£3,500
Loan repayment		£0	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£500	£5,500
Accounting fees		£78	£78	£78	£78	£78	£78	£78	£78	£78	£78	£78	£78	£936
Director's salary		£0	£0	£0	£0	£0	£0	£0	£1,048	£1,048	£1,048	£1,048	£1,048	£5,240
Staff costs	Administrative assistant*, marketing spesialist*	£0	£1,048	£1,048	£1,048	£1,048	£1,048	£2,096	£2,096	£2,096	£2,096	£2,096	£2,096	£17,816
Stock / Materials	Sample products and additional atributes for photoshootings	£500	£500	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£2,000
Photoshooting	products images, ad videos	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0
Shopify and CreativeCloud Fees		£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£50	£600
Postage only		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Trade mark applications	US, EU, Australia,	£4,500	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£4,500
Hosting/Domains/email	GoDaddy fees	£0	£0	£0	£0	£0	£100	£0	£0	£0	£0	£0	£0	£100
	Total cash out-flows (B)	**£8,671**	**£2,564**	**£2,799**	**£2,771**	**£4,743**	**£6,895**	**£13,197**	**£18,285**	**£28,673**	**£22,325**	**£26,813**	**£39,665**	**£177,400**
	Your net cash flow (A-B)	**£8,906**	**-£1,891**	**-£1,883**	**-£1,371**	**-£1,222**	**-£891**	**-£1,375**	**-£2,015**	**£1,884**	**£405**	**£1,258**	**£4,502**	**£6,308**
	Your monthly opening business bank	**£2,633**	**£11,539**	**£9,649**	**£7,766**	**£6,395**	**£5,172**	**£4,282**	**£2,906**	**£891**	**£2,775**	**£3,181**	**£4,439**	**£8,941**
	Your closing cash position	**£11,539**	**£9,649**	**£7,766**	**£6,395**	**£5,172**	**£4,282**	**£2,906**	**£891**	**£2,775**	**£3,181**	**£4,439**	**£8,941**	**£8,941**

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