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Student Name: Iuliana Olaru

Student ID: 2019941

BA Business Management Entrepreneurship
Assessment 2

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Introduction-

The purpose of this report is to make a new business plan named, Green-O-Fashion and create a sensation among the people by the old used clothes by adding an essence of fashion among the people. As per the views of Li et al. (2021), clothes are indispensable ingredients in human life. When the earth just broke its slumber, humans started to evolve, and the uses of clothes were very primitive at that time. Gradually time passed and a new level of sensation aroused amidst the people by adding the craze of garments. Nowadays a dark sphere of pollution has grabbed the positivity of the environment. In such a situation sustainable fashion is trying to give some sort of relief to humans. The report justifies a robust business plan of green fashion with the view of proper industry analysis, the management structure, and well-defined market research by PESTEL analysis.

Business description-

The name of the business is Green-O-Fashion and is considered a sustainable clothing business. The business is mainly related to the old used clothes and generates a suave feeling of innovation by it. The clothes that are used for several days need to be replaced to reduce the wastage of clothing-related garments. By considering this view the innovative idea of a proper business plan is going to come into force. It helps to reduce the carbon footprints that are generated by the fashion stores and helps the environment to take a touch of voluptuousness. Social responsibility has the strength to create a watermark in the souls of nature and this business mainly focuses on sustainable and green fashion to reduce the level of contamination in nature. The people who are unsure of the old, used clothes, will get a brilliant chance to use them because of the new essence of fashion in them provided by the innovation of the business. Undoubtedly the new innovative ideas in the business will help it to reach the apex of achievements in the future. The target customers of the business will be the aged persons between 45-65 because such age groups don't want to misuse the money as they know its value of it. On the other hand, the young people in the UK care a hang about the wellness of the environment or the value of money. They want to spend their lives lavishly without caring about old, used clothes. They just want to go with the new trend and follow the trending fashion; so the target customers will have to be such persons who have the maturity to value the demand for money and the welfare of the environment.

Industry Analysis (Porter's five forces model)-

Porter's five forces model helps to get some valuable insights into the current market and helps to make the strategy to be successful. The Green-O-Fashion will have to consider Porter's five forces model to cope with the economic as well as competitive pressure.

Competitive Rivalry-

It's very important to look into the competitors before organizing any business (Mindtools, 2022). There are several sustainable fashion-related brands in the UK e.g. Cossac, Fanfare, Elvis & Kresse, Birdsong, Baukjen, Beaumont Organic, etc (Good On You, 2022). So Green-O-Fashion needs to be updated with the fact of the rivalry and use some innovation in pricing strategy or promotional activity to defeat them in the economic sphere.

Supplier Power-

Supply chain management plays a pivotal role while summing up any business (Mindtools, 2022). Green-O-Fashion will have to make the supply chain management robust to cope with the competitive pressure. The other sustainable brands in the UK like Fanfare, Baukjen, Birdsong, etc. have already made a strong supply chain management so Green-O-Fashion will need to communicate with the suppliers properly to make the innovative ideas come true.

Buyer Power-

Buyers are the building block of any economy. The buyers are inclined towards cheap prices mostly, so Green-O-Fashion needs to charge a minimum amount of money to redesign the old used clothes. The rival brands have already created a space among the customers, so it will be difficult for Green-O-Fashion to compete with them if the prices are higher than theirs. When the people of the UK will get the products at a low price and the quality will be maintained, they will stumble across the innovation of the new business.

The threat of Substitution-

Substitution is the main drawback of a business. The sphere of a business is always changing and the choices of the customers are too. For that reason, Green-O-Fashion will have to make them updated according to the norms of the people's satisfaction. If they can't fulfill the basic demands of the customers, the dissatisfaction can substitute the brand with another one in their souls.

The threat of a new entry-

The inclusion of a new entry in a business sphere is always an emerging question while developing a business plan. The competitive scenario of a market is always revolving rapidly. In this case, Green-O-Fashion will need to be exceptional while making the business ideas. The business plan, innovation, products, and service all are the epitome of making a business successful. If Green-O-Fashion wants to create a permanent place in the souls of humans, it will have to recreate the values of humanism with its products and price otherwise at any time a new entry of a brand can engulf the entire good perspectives of the business.

Legal structure and Management team plan of the planned business-

Legal Structure-

There are four types of legal structure in a business environment i.e. Limited Liability Company, Corporations, General Partnership, and Sole Proprietorship (Hoffmann, 2022).

Among these four structures, Green-O-Fashion will follow the General Partnership structure where the entity of the business will be run by two people. The decision of a person can have both aspects i.e. positive or negative. On the other hand when the decision is taken unanimously the chances of failure become very low. For that reason, Green-O-Fashion will follow the General Partnership structure to bridge the gap between misconception and ambiguity. Green-O-Fashion will follow a Hierarchical Organizational Structure to maintain the core values of the company; where the chain of command passes from the top i.e. the CEO or the Manager down to the low-level employees. It will help the employees to define the proper responsibility and help them to act according to the norms of the company.

Management team plan-

Being a General Partnership Company, Green-O-Fashion will need to have two directors who will be selected by the shareholders. A Managing Director will be appointed among the Board Of Directors to manage the affairs of Green-O-Fashion. There will be a Chief Executive Officer to take the managerial decisions of the business, a Chief Operating Officer to look into the operations of the business within the environment of the company, a Chief Financial Officer to manage the financial matters, a Chief Technology Officer to look into the technological aspects of the business, a Chief Marketing Officer to segment the marketing criteria and develop a marketing strategy, a Chief Legal Officer to investigate the breach of any information. Apart from these Green-O-Fashion will also appoint an Accounts Manager to manage all the financial books of the company, a Recruitment Manager to recruit perfect employees for serving the general aspects of the company, a Store Manager to maintain the stocks of the company, and a Technology Manager to develop the services and the products in a digital way (Indeed Career Guide, 2022).

Marketing plan (The 4Ps model, promotional mix)-

Product-

Products are the main ingredients of a business. Green-O-Fashion needs to maintain the quality of the products in terms of capturing the views of the customers. The business is mainly based upon the eco-friendly perspectives of nature. So the waste materials of clothes need to be maintained properly to recreate a new sensation in fashion. It will have to focus on the soothing

aspects of nature and make sure that the products will not create any contamination in the environment.

Price-

The price of the clothes will have to be low to attract customers. When the customers will find the recreation of the clothes which is lower than the new ones and the quality is highly appreciable, they will cling to the products of Green-O-Fashion.

Place-

The business will have to be focused on such places where environmental degradation is prevalent. Warrington is such a place in the UK where the pollution level is very high. Manchester, Swansea, Leicester, Nottingham, Plymouth, Norwich, Birmingham, etc are such cities in the UK that are contaminated deeply (Airly, 2022). So Green-O-Fashion will have to consider these cities as a preference for the perfect place.

Promotion-

Social media i.e. Facebook, Twitter, YouTube, etc will play a massive role while promoting the products. If the products reach the doorsteps of the people via technology, the business will flourish accordingly.

Promotional mix-

Advertising-

The advertising campaign through social media or by providing leaflets will generate the values of the company and spread its essence among the people.

Direct selling-

Green-O-Fashion will need to sell the products through one-to-one communication to satisfy those people who are genuinely interested in it thus reducing the wastage of time.

Sales promotion-

Green-O-Fashion will have to attract customers by arranging promotional campaigns through discounts, coupons, etc. This will help to bring in a huge audience to understand the values of the products.

Public relations-

The company will make a suave relationship with the public to communicate with them more effectively and satisfy their needs.

Financial plan-

Green-O-Fashion						
Cash budget						
For 6 months ending 31st December 2022						
Particulars	July (£)	August (£)	September (£)	October (£)	November (£)	December (£)
Receipts						
Cash in hand	70,000	82,000	84,000	175,000	408,000	760,000
Cash from sales	460,000	650,000	680,000	594,000	629,000	700,000
Borrowings	180,000	0	0	0	0	0
Total receipts (A)	710,000	732,000	764,000	769,000	1,037,000	1,460,000
Payments						
Merchandise purchases	300,000	350,000	360,000	226,000	301,000	275,000
Advertising	140,000	140,000	140,000	140,000	140,000	140,000
Rent	16,000	16,000	16,000	16,000	16,000	16,000
Wages	90,000	90,000	90,000	90,000	90,000	90,000
Commissions	60,000	50,000	35,000	29,000	38,000	18,000
Utilities	10,000	10,000	10,000	10,000	10,000	10,000
Purchase of machinery	0	14,000	17,000	25,000	30,000	40,000
Paid dividends	12,000	0	0	0	0	0
Repayments	0	60,000	0	0	60,000	0
Interest	0	0	5,000	0	0	5,000
Total payments (B)	628,000	730,000	673,000	536,000	685,000	594,000
Net cash flow (A-B)	82,000	2,000	91,000	233,000	352,000	866,000
Opening cash balance	0	82,000	84,000	175,000	408,000	760,000
Closing cash balance	82,000	84,000	175,000	408,000	760,000	1,626,000

Market Research-

PESTEL Analysis

Political Factors-

Green-O-Fashion needs to be updated according to the norms of the UK government. If the raw materials are imported at a higher price, the increasing import duty can increase the price of products. When the government will make out the real essence of the company i.e. the goal of sustainability, the business will flourish.

Economic Factors-

In the UK the green fashion economy boosts the GDP of the country. The sales of ethical clothing from 2014-20 rose from twenty-nine million pounds to fifty-seven million pounds (Statista, 2022). Green-O-Fashion will have to look into the economic condition of the UK and plan its future goals according to it.

Social Factors-

Fashion is not about showing off to others but should be according to the needs of the people. Green-O-Fashion will have to offer fashionable clothes and a wide range of clothes for the

entire civilization and thus the social factors of the UK will be served and the general values of the companies will be provided.

Technological Factors-

Up to 2013, the clothing industry of sustainable development provides only 3.7% of the market share (Jacobs *et al.* 2018). Digital marketing is increasing rapidly in the UK and Green-O-Fashion will have to look into the demands of the people and fulfill them through digital mode. According to (Hsiao *et al.* 2020), the posts on social media come back rapidly in front of the customers again and again, and for that reason, they become attracted to buy the products. Green-O-Fashion will have to consider this view to create a sensation among the people.

Environmental factors-

The main focus of the business centers around the environment. It will help the polluted cities of the UK to reduce contamination and influence the people to value nature. Green-O-Fashion is chiefly an eco-friendly organization that promotes the values of a fresh environment through reshaping clothes in an eco-friendly manner.

Legal Factors-

The most important factor that can disrupt its reputation is that it completely focuses on reducing contamination but if it can't fulfill the aspects of nature, and make such products that can ruin the environment, a deeper sense of bleakness will be generated in the country and among the people. When Green-O-Fashion can't make eco-friendly products, the environmentalists of the UK can file a case against the company and the sustainable factors of the UK government will be generated against it and it can face massive problems for that.

Conclusion-

As opined by Abdullah (2020), a good business plan is a keystone to prospering a business in any country. Green-O-Fashion will have to look into the basic forces of economy and competition before attaining the first step towards achievements. If it can make a robust business plan by following the suggestions, the name of Green-O-Fashion will be inscribed amidst the souls of the entire civilization.

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