

LCLM4006

Enterprise and Entrepreneurship

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Executive Summary

RenewThread Ltd. is a proposal for a clothing repair, alteration and resale company based in Birmingham. It is an affordable and locally available clothing maintenance service for customers who want durability in their clothes but do not wish to pay high costs in order to acquire sustainable fashion. The business will begin from a small workshop and bookings online as opposed to the expensive retail shop. Nevertheless, figures on textile waste cannot determine sales in the area. The business will need to conduct a controlled trial to establish the demand for repairs, resale and efficiency of labour.

Overview of the Business Idea

Renew Thread Ltd. will be a prospective enterprise from Birmingham that provides clothing repairs, alterations, and certain used clothes. The customer can schedule for repairs either online or in a small workshop, receive a quote and come back to pick up their work. What is meant here is not that the process of reuse will become cheaper, but that it will give more life to their existing clothes. At first, services such as zip repair, stitching, hemming and resizing of clothes will be provided. The resale will generate extra income, but the inventory will be small till the business is established.

The main clients to be served include those who need repairs and the secondary clients include those who need alteration and used clothing. The choice of having a limited variety of starting products is deliberate since it would mean using the money and having the problem of quality control in case the complicated repairs and variety of products were provided from the beginning. The business would be earning its money from repair services and selling of clothes.

A founding director handles pricing, sourcing, appointments and finances; a skilled tailor works on a part-time basis to do the work while accounting is done through an outside agent. A limited liability company protects the company from the owners, but there is no protection against obligations or personal guarantees. Registration at Companies House, protection of customers, safe operations and insurance are some of the issues taken into account before setting up the business (GOV.UK, 2026). It is better to start with less public appointment office rather than shop location.

The social impact and environmental goals center on the objective of having good quality clothes circulating in society, in addition to offering job opportunities to the local communities. However, WRAP (2024) states that the amount of textile waste generated in the UK in 2022 is 1.45 million tons, indicating that the generation of waste is a serious issue. The customers can repair but still buy new clothes. The company will then track how many items were repaired, used again, resold, sold through or remained unsold. The company cannot make any unsubstantiated claims of reducing carbon footprints.



Figure 1: RenewThread Logo

Source: (Self-made)

Market Research

Market opportunity is feasible but unsupported by evidence. Circular issue of national textile figures suggests the opportunity, not number of residents from Birmingham ready to buy garment service. Thus, RenewThread has to start from repairing high-quality and expensive clothes. At the stage before property purchase, it will be necessary to survey 40 people, analyse 10 repair rates and make two test bookings. Environmental concerns will be taken into account as a less favorable factor than sales.

The circular approaches in the industry are quite minor compared to the entire textile industry. Financial constraints are applicable locally to provide an economic explanation of life-cycling the clothes, though, when it comes to finding an option and labour costs there is no price ceiling. Socially the attitudes are taking a different publicity to used clothes despite it being appropriate, hygienic, quality and convenient. Nevertheless, Potdar, McNeill and McQueen (2024) have discovered that environmentally sustainable behavior is associated with repairing; however, their subjects (repair) are international, and as a result, the sample is not reflective of the need of the given service

in the city of Birmingham. The Online booking saves a cost of search in technology, pre-travel and post travel pictures lets the customer know more about the hotel they are visiting but poor customer service and data storage insecurity may destroy consumer confidence.

There are three categories of competition: specialised individual tailors, cheap second-hand clothes provided by charity and vintage stores, and online markets for clothes resale, which offer great diversity. RenewThread cannot be superior to these three types according to prices, specialisation, and choice. Its possible competitive edge could lie in being an easily identifiable service that delivers its service in known time and gives options for resale right there.

Table 1: Competitor Analysis and Strategic Positioning of RenewThread Ltd.

Competitor	Relative advantage	RenewThread response
Local tailoring shops	Proven repair skills and relationships	Published price bands and online booking
Charity/vintage shops	Low-cost resale inventory	Quality-checked edited range
Online resale platforms	Scale, choice and convenience	Local fitting, repair and collection

These criteria include paid conversions, turnaround times for repairs, frequency of complaints, and sales rate for returned merchandise. Repeated poor orders or dependency on discounts will mean that changes are needed in the proposition before proceeding further into the purchase of more space and hiring more workers. This translates to interviews being categorised according to the type of clothing and the clientele, since fixing an expensive coat and a cheap T-shirt are two entirely different things. Comparing the price quote with the purchase price is more convincing than conducting a survey (Krapels et al., 2022). Dropping non-performing services will aid in saving the startup money.

Marketing Communications

These should be used as arguments in support of the proposition, not instead of its worthiness. The first phase of the communication process would cover two or three neighborhoods in Birmingham within proximity to the garage in an effort to achieve the maximum possible exposure without overspending the budget. The intention is to achieve proof of demand from the potential customers.

A Google Business Profile, well-formed websites and local search profiles will generate inquiries from people already looking for alterations. It will result in more purchase intention than general green campaigns. The videos of the repairs, realistic timelines, and before and after photos using Instagram and TikTok videos will generate good visibility but will not translate into any sales. Collaborations with university societies, local organisations and local thrift stores may prove to be helpful whenever the cost of referral has fewer costs which can be measured (Beniulis, Rafijevas and Venske, 2023). The introductory discount on basic hems would help mitigate risk in the process of experiments; however, too many discounts should not be given as it would decrease the contribution per task. The digital marketing plan that would be implemented to the customers who are not using the social media would involve booking options on billboards in the locality.

The management team will analyse the inquiries via the website, rate of question to sales and revenue per service, customer repeat, cost of acquiring customer and customer complaints. To illustrate, in an eight-week pilot project, 50 paying customers will be obtained including 20 percent of them as repeat customers, buying services again in the right timeframe. It is not what they are measuring of demand; but it is performance of the management team. The customer feedback will aid in the realisation of whether the issue is the price of the service or it is the appropriateness of service. In case it is identified that marketing is costlier than the total revenue that the customer has received, the process will be divided into referral and high intent search words, as suggested by Kotler et al. (2022).

Financials

RenewThread will have start-up costs of £12,000, a small capital contribution of the entrepreneur will be £5,000 and loan will be 7000. Equity implies that they would not repay at all initially and displays the commitment of the entrepreneur whereas debt would provide cash flow; nevertheless, in terms of demand nothing is definite (Rahman and Ashrafuzzaman, 2022). Hence, the loan will depend on the judgment of the lender and quotations and cash flow projection from the suppliers. There are no grants or guaranteed loans expected.

Table 2: Illustrative Start-up Costs and First-Month Expenditure for RenewThread Ltd.

Cost item	Budget (£)
Sewing and repair equipment	2,000
Initial pre-owned inventory	1,500
Workspace deposit and initial rent	2,000
Website and booking setup	600
Insurance, registration and compliance	500
First-month marketing	700
First-month labour and operating expenses	1,700
Working-capital reserve	3,000
Total	12,000

The £3,000 reserve is money that remains, rather than money that needs to be spent. The cost of deposit on work space, salaries, and insurance may affect the amount of funds that will be required. Prior to starting the business, the entrepreneur should develop a three months cash flow projection, which distinguishes between capital and monthly expenses. It prevents using the cost of the launch as a sign of its profitability.

The following assumptions can be made to show the operation model: each service sale brings the company an average of £28, and the cost of materials, labor, and payment per each job is £12, which means that the contribution margin is £16 per each. In case the projected monthly fixed overhead is equal to £1,600, it means that 100 jobs ($\text{£1,600}/\text{£16}$), without counting the debt repayment, taxes, and wages of founders, will have to be done before becoming profitable. One has to keep in mind that the resale margin was not taken into account because the model has never been tested.. In this situation, the criterion for the decision-making process is verifying that the booking

payments and labor are available before any investment and growth takes place. The environmental criterion cannot mask poor cash flow.

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