

BUSINESS PLAN

Hot Tops

41 high street, SA48 7BB

31 August 2019

Executive Summary

The Ownership

The business will be structured as a partnership..

The Management

The decision making will be down to both partners (Jane & Reese) both partners are equal to each other in this partnership so any decision making roles need both partners say so before it can be implemented.

The Goals and Objectives

To provide sports teams, schools, business's, events, passing trade with uniforms, t-shirts, hoodies, sweat shirts, sports tops, fleeces and jumpers with the option to have custom designed vinyl print or embroidery.

The Product

Our main product will be selling tops and printing on the tops for local people and business's, our business offers unique features that our competitors do not offer such as we offer a variety of different printing methods to cater to a wider audience range and quality whereas the local competition only offer 1 or 2 options for printing to reduce storage space and reduce the amount of employee's they have, whereas our property comes with separate storage space and we have Reese who is already experienced with the different methods of printing saving our selves needing more staff members and more storage space, our business also offers free artwork to any customer under the guidelines the artwork belongs to Hot Tops unless the customer wants to purchase the original designs for a small cost, this will help cover the cost of time it takes to design any artwork whereas our competitors don't offer designs they only accept customers design's as hiring a graphics designer is extremely expensive and will cause the costs of production to increase but with Hot tops we have a experienced graphic designer (Reese) and due to Reese being a partner of the company his wages are taken from the profits equal to his partners wages.

Due to the location of the property we have been looking into it is in the heart of the local town Lampeter and with their being a bus stop that links our town with the more popular towns such as Carmarthen or Aberystwyth located next door to us it places us in the perfect spot to catch potential customers eyes with our advertising or bright colour and cool designs we can place in the front of shop window, also the town is home to a university that attracts students from all over the world such as Russia, America & China, and we can develop agreements with the university to supply their jumpers to their students by offering better prices and quality then their current supplier. Although we overall cater to everyone we will be making sure our business gives off a family

friendly environment and to do this we will have strict rules inside our business for how people act and treat other customers and staff as we do not want to limit our customer base rules such as no swearing, shouting, messing around, no smoking inside the property.

The Target Market

We cater to all target audiences but our main goals are to target local organisations like football, rugby teams, business's, educational systems such as schools, colleges, universities, volunteering so our main customer base will be parents and business's owners / managers as this will allow us to create a steady customer base as our target audience change their uniforms on a yearly bases or when new sponsorship's take over however we will also be targeting locals, tourists, events, stag's & hen parties through local advertisement and past and trade.

Pricing Strategy

We want our business to be affordable by anyone no matter your situation and that is one of the reason we offer a variety of different printing methods as well as different clothing brands as this allows us to cater to a more luxury customer base with more expensive printing and clothing brand needs and with this comes better quality products however we also don't want to limit ourselves so we also offer a cheaper printing and clothing methods and although it is the cheap option the quality and products will still be of good quality and we always aim for customer satisfaction.

We have created a price list below that shows the variety of different options on clothing styles and the different printing methods available, we do 100's of different brands and styles of clothing due to our supplies having a range of different brands so instead of trying to cram it all on a price sheet we have in store catalogues that anyone can pop in and flick through and if you are not local and cant reach the store then our supplies also have their own online website in which customer can see everything we offer on their laptops / computers / mobiles / tablets.

The Competitors

We have 2 main competitors local to Lampeter town 1 of them is called Unit 3 Graphics who are located on the edge of the town which limits their pass and trade and due to a decrease in sales after negative reviews from locals who were dis-satisfied with their services and products meaning this companies threat to our sales is decreasing daily but the other competitor is located in a village 20 minutes away from Lampeter meaning they have very little pass and trade and have to rely on advertisement and networking in order to achieve regular cash flow into their company also it is run by a small family who have been successful in their village but due to it being a family run business with none of them having next to none experience in this production market their prices will be higher as the time they require on every product will be greater then ours due to the lack of experience they have compared to us.

Business Plan - Hot Tops

The Business

Business Sector

The owners would like to start a business in the following industry:
t-shirt printing (Manufacturing & Retail)

Business Goals and Objectives

To provide sports teams, schools, business's, events, passing trade with uniforms, t-shirts, hoodies, sweat shirts, sports tops, fleeces and jumpers with the option to have custom designed vinyl print or embroidery.

Business Ownership Structure

The business will be structured as a partnership.

Ownership Background

Reese A Pederick (partner):

Reese has had 2 years of previous experience assisting the manager of a t-shirt printing business and has a good knowledge on all aspects of the business including manufacturing, trading, customer service, maintenance, cost's, stock control.

Jane Pederick (partner):

Jane has 3 years of experience working as a production manager making sure that deadlines are met, orders are completed correctly and efficiently following strict health and safety regulations and excellent problem solving skills.

Business Management Structure

The decision making will be down to both partners (Jane & Reese) both partners are equal to each other in this partnership so any decision making roles need both partners say so before it can be implemented.

Organisational Timeline

We aim to have Hot tops up and running by June 2020 giving our selves 10 months to organise, design and advertise the business to help ensure its success.

Business Assets

We will be leasing property to run our business that comes with separate storage space in our local town as 1 of our target audiences is the past and trade that our local town offers to business's. we will have our own equipment that we will be purchasing instead of leasing any equipment as we want to keep our monthly costs as low as possible when we first open up to reduce the strain on our monthly expenses.

Equipment needed is an embroidery machine, vinyl cutter, magic touch heat press, heat press machine, computer and monitor, reception desk, clothing, maintenance tools, PPE equipment, till, displays, hooks, price lists, customer details.

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Marketing Plan

The Target Market

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Location Analysis

Our location is in the heart of Lampeter town surrounded by locals giving us the pass and trade market that our competitors dont have we also have 2 bus stops close by to the shop meaning every time someone gets off the bus they are potential customers, being in the centre of town it means we can advertise ourselves in our own window due to the amount of people that will be walking by the window, due to us being in the centre of town finding our location is easy as we are surrounded by well known business's all around the building such as; Greggs, Lloyds bank, The Castle (biggest local pub) Sainsbury's. the reason these business work in our advantage is they will be attracting their own customers and due to them not providing the same products and services we are not in competition for them and instead this means we will have increased population around our business meaning our advertising and business name will be seen by all of their customer base.

Established Customers

During Reese's experience in this line of work he built up strong customer networks by building good re-pours with customers and due to the positive reputation he has with a lot of the previous customers and business's, obtaining a stable work flow as well as using the established customers to provide another method of advertising word-to-mouth.

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Advertising

We know that advertisement is very important especially for a new business however after discussing the different methods of advertisement amongst ourselves we have decided to keep the advertising local to save on the start-up costs and instead use our products as forms of advertisement on a wider scale by offering significant discounts on products for potential customers / business's as incentives to use our business as their new supply chain this allows us to not only potentially gain more business but also show our quality and get our name out to the locals, all advertising will be done using leaflets and a price list and we will go out to the local business's and local surrounding houses and post 1 leaflet introducing our business and who we are and giving details such as location opening and closing times, contact information and 1 price list so the customers can see the prices of every item and every printing method. we want to keep a low advertising budget as we think it is more efficient to have the partners dedicate time over money to advertising as it shows customers we care about them and not just their business so our overall budget for advertising is

Competitor Analysis

The Competitors

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Competitor Strategies

After careful research and scoping of the competition we have learnt that 1 company is on the way out after negative reviews meaning they are less and less of a threat and it shows that their strategy did not work so I have study what did work for them and what has caused them to start failing 1 of the key strategies they used that we will be using within our company is s customer loyalty scheme i.e bulk orders get discounted or after so many purchases receive a loyalty voucher but this is a

strategy we would look at introducing in the late future to help us grow with our customers we spoke about the complications of implementing this strategy early and the main issue we kept coming to was the financial side it would reduce our profits during the most important time for a new company (the first year), after careful research into why this particular company is failing is because they failed to stick to deadlines and they always gave excuses to why they were behind instead of taking responsibility and fixing the issues that have been addressed.

The other competitor has been very successful in their village due to it being the only t-shirt printing shop in the village so appealing to locals is very easy for them although their success has been limited due to their location and I feel this is 1 of the main reasons we will be more successful than them going forward, although this company's location may be somewhat poorly located the owners' advertising strategies are good and they do manage to attract customers outside their home town as they attend festivals / local shows, they help support local kids football events by providing sports clothing to the kids teams and in return they get free advertisement when the kids play their games / matches and we feel this is an amazing strategy for any business.

SWOT Analysis (Strengths/Weaknesses/Opportunities/Threats)

Strengths

High traffic location
Strong Knowledge of products
Good customer relationships
Good knowledge of the schools, teams & events.

Weaknesses

Struggle to meet deadlines if we get too much work
Rent goes up
Business rates go up.

Opportunities

Loyal customers
Being more reliable than our competitors
Having a good range of products and services.

Threats

Competitors opening a shop near us
Brexit - changing the way people and business's spend their money or how conservative people become with their spending.
Shop lease not renewed.

Operations

Daily Operations

A normal work day will be 8.30 start and between 8.30 - 9.00 it will double checking the shop is clean and tidy for customers and making sure we have know what stock we have in order to best provide quick and accurate information to customers, we will have manikins displaying new designs that will be placed out the front of the store, 9.00 - 11.30 will be production / dealing with pass and trade customers 1 off t-shirts or questions as well as taking any orders that come through email or phone. 11.20 - 11.30 break time, 11.30 -.1.00 advertising either a post on Social media interacting with customers and showing them new clothing or recent orders we have done for locals showing the quality and standards we have as a company, 1.00 - 1.30 lunch, 1.30 - 3.00 production for any bulk orders i.e local football team wants 30 sports tops done it saves us time and money if we do all 30 in 1 go instead of doing them in smaller stacks as the heat press has to be certain settings as well as lining up the print on the t-shirt is easier if your doing the same thing consistently, 3.00-3.10 break, 3.10 - 5.00 order stock for new orders and work on any orders that are needing to be done, just before closing we like to look at what the next day will involve so we can be best prepared so we will look at the work schedule and production schedule for the next day to ensure if we require any additional resources we can within plenty of time, 5.00 will be closing time which will be turning off all machines and lights making sure all manikins and signs are in from outside and then locking all doors and equipment up for the night.

Operational Facilities

Our main operations will be located in the store it will be split into 2 sections we will have front of house which will be where all the sales and advertising will be and then the back half will be production where our machines are located and all materials are, the shop we will be leasing is open planned so any customer who walks through the shop door will always be seen and heard by us as we have nothing blocking our vision and a bell on top of the door so we can hear when customers enter providing us with the perfect production and sales business.

Staffing

Hot Tops will employ one full-time employee in the initial startup phase.

Suppliers

Our supplies for clothing will be Uneek and Pencarrie they are 2 companies that sell clothing with massive ranges and variety of different styles, materials, sizes, colours, patterns.. Uneek will be our main supplier as they offer better deals on bulk orders and they're quality is high quality for affordable prices, during all our experience with these 2 companies Uneek is defiantly the better one

for durability and quality however they only offer a medium and high priced clothing whereas Pencarrie offers hundreds of different styles and brands its a company that supplies clothing from a massive range of different companies such as JCB clothing, Fuit of the loom, Awdis, Just T's, American Apparel, Anvil, Gildan and many more, they offer top quality brands like RTY but they also offer your cheaper ones commonly for people on low budgets or event t-shirts as they will only wear them once and then get rid of them so the cheaper the better like Bargear.

Uneek is a company that originally was located overseas but shortly after starting up they decided to move to Swansea making them a much better supplier for our needs, Pencarrie on the other hand is and always has been located in Devon, and both companies offer dependable and reasonable prices they also always compensate for any mistakes that they cause they value us as much as we value them and thats why we have chosen these 2 companies to be our supplies they tick all the boxes and have always given us top quality service.

Capital Requirements Plan

Capital Repayment Plan

Any financial obligations that our business has will come straight from the profits on a reoccurring monthly payment plan however if our business is success straight from the start and we have a strong cash flow coming in we will pay off any financial obligations as quickly as possible (paying more then the monthly loans agreement).