



REPORT FOR BIODEGRADABLE T-SHIRTS COMPANY



UWTSD

Assignment 1 - Entrepreneurship

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Introduction

In response to concerns over the environment and a desire for sustainability, the fashion industry is going through an evolution towards eco-friendly techniques. Biodegradable t-shirts and sustainable apparel have appeared as an approach for reducing the environmental impact of typical textile manufacturing processes. These clothing are intended to disintegrate spontaneously, lessening their impact on landfills and ecosystems. As customers become more aware of their environmental impact, there is an increasing desire for apparel that reflects their principles of sustainability (Pierattini,2023). This report aims to reveal the intentions of a company called 'Bio-degrade-able T-shirts' and examines the growing industry for disintegrating and sustainable clothes. It will cover a variety of topics, including market analysis, marketing tactics, competitive landscape, target demographics, differentiation aspects, and funds allocation strategies.

‘Bio-degrade-able T-shirts’ Overview

The company focuses on the creation and offer of high-quality biodegradable t-shirts, opening the way for sustainable fashion. The firm is committed to environmental responsibility and use new materials and manufacturing processes to develop clothing that have a low environmental effect while maintaining design and comfort. Biodegradable t-shirts, designed with environmentally friendly materials (bamboo, hemp, algae) that disintegrate spontaneously, reducing waste and pollution. The company aims to change the way of how fashion industry thinks about sustainability by emphasising ethical production processes and transparency. Main goal is to provide consumers with fashionable and environmentally friendly apparel options while also pushing positive change in the fashion industry.

Company Structure

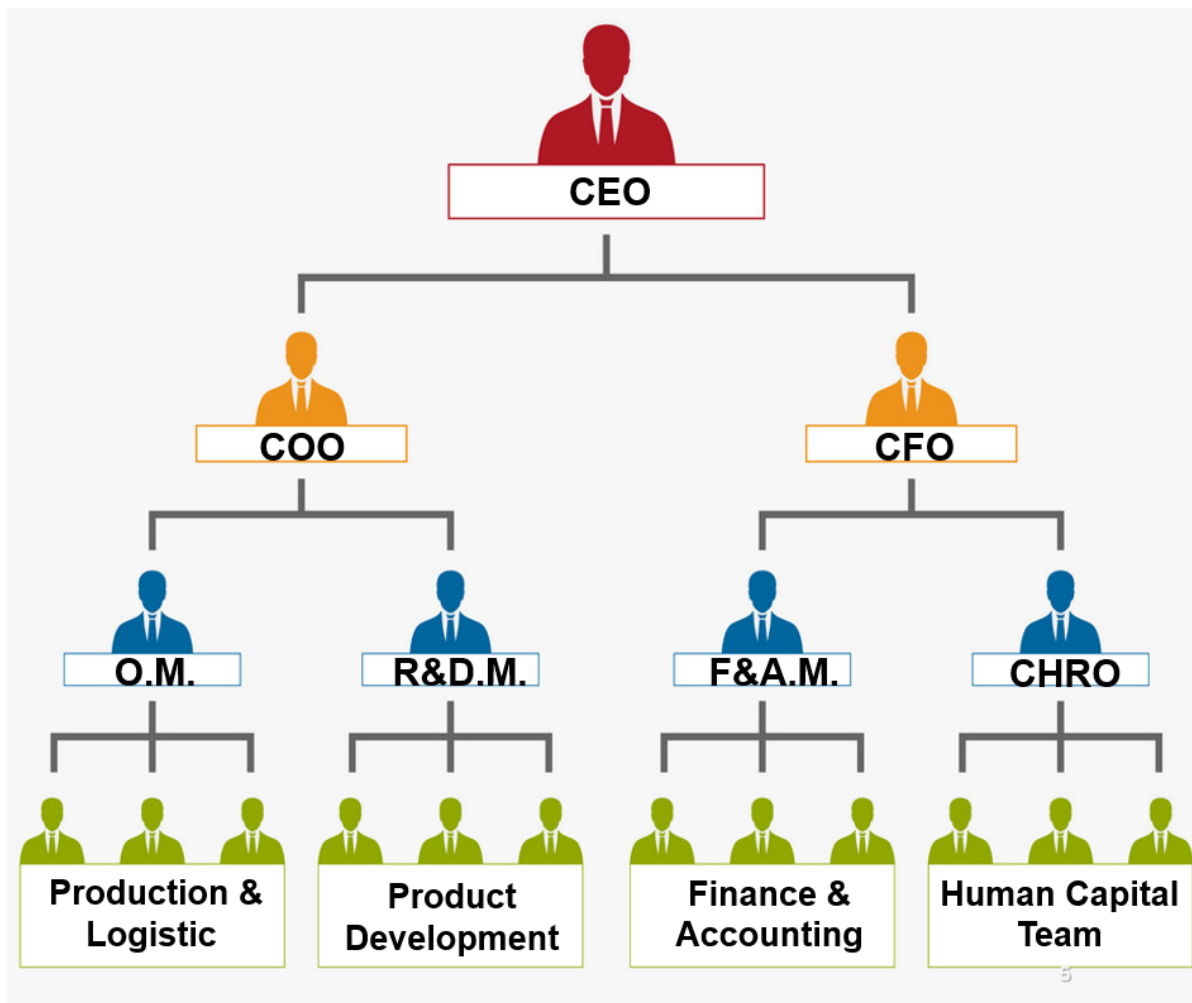


Figure 1: Management Structure of 'Bio-degrade-able T-shirt'.

The corporate structure of 'Bio-degrade-able T-shirts' company intended to efficiently manage numerous activities and departments, ensuring smooth operations and strategic growth.

Here is an explanation of the roles and responsibilities inside the organisation.

- **CEO (Chief Executive Officer):** The person who oversees defining the company's general strategic direction, making important decisions, and representing the organisation to stakeholders. The CEO monitor all departments and ensure they are in line with the company's objective and goals.

- The Chief Operating Officer (COO) is in charge of day-to-day operations such as production, transportation, and management of the supply chain. They prioritise increasing efficiency, streamlining procedures, and ensuring that output meets quality standards and timelines.
- The Chief Financial Officer (CFO) supervises the company's finances, which include budgeting, financial preparation, and reports on finances. They also manage financial risk, make investment decisions, and coordinate fundraising operations to support the company's growth.
- The R&D Manager leads the research and development team in researching new sustainable materials, optimising manufacturing processes, and creating novel product designs. They collaborate with providers, researchers, and designers to remain on top of industry trends and advances in technology.
- The Operational Manager collaborates with the COO to manage day-to-day operations such as production planning, managing inventory, and quality control. They ensure that the process runs smoothly and address any operational issues to reach production targets effectively.
- The F&A Manager (Finance & Administration Manager) helps the CFO in handling financial operations such as accounts payable, receivable, payroll, and general accounting responsibilities. They also oversee administrative tasks including handling office operations and procurement.
- The Chief Human Resources Officer (CHRO) oversees human resource management, which includes hiring, education, performance management, and relations with employees. They create human resources strategies to attract and retain top personnel, support a healthy work environment, and assure compliance with labour laws and regulations.

Every manager has control over department, which includes manufacturing and logistics, product development, accounting, and human capital teams (Uden, Ting and Corchado, 2019).

Porter's Five Forces

Threat of New Entrants

Low to Moderate: Starting a biodegradable t-shirt business requires availability of sustainable resources, specialised production procedures, and branding skills. Nevertheless, as consumer demand for sustainable fashion grows, new entrants may find it easier to enter the industry. Existing brands with robust supply chains and established client bases might discourage new entries (Ali, 2021).

Bargaining Power of Supplier

Moderate: The accessibility and cost of biodegradable products can affect providers' bargaining power. As the need for environmentally friendly supplies rises, suppliers may gain greater influence. Businesses may mitigate this by expanding their supplier base, investing in long-term partnerships, or even reverse integrating into their manufacturing processes (Ali, 2021).

Bargaining Power of Buyers

Moderate to High: As customers and retailers become more aware of environmental issues, consumers power grows. They may ask for cheaper costs, improved quality, or more transparent and ethical procedures. To preserve buyer loyalty, businesses must differentiate themselves by offering distinct value propositions such as novel designs, credentials, or partnerships (Barbarossa, 2016).

Threat of Substitutes

Low to Moderate: conventional clothing made of non-biodegradable materials is a substitute, however the growing demand for fashion that is environmentally friendly reduces this threat. Biodegradable t-shirts have significant environmental benefits and target a certain group of environmentally conscious consumers. Yet, advances in sustainable materials and alternative fashion options may increase the threat of alternatives in coming years (Barbarossa, 2016).

Competitive Rivalry

Moderate to High: As more companies enter the sustainable fashion market, competition will increase. Established businesses and new startups compete for

market share by creating sustainable apparel collections. Differentiation through branding, design innovation, price tactics, and marketing efforts is critical for standing out from other businesses and keeping market position (Ali, 2021) (Shukla, 2023).

Marketing Strategy

The UK is an ideal location for a company specialised in biodegradable t-shirts, with several market prospects to capitalise on the growing demand for sustainable design. The company's marketing strategy focus on engaging environmentally conscious consumers by highlighting its dedication to sustainability, ethical production techniques, and fashionable designs. Content marketing play an important part, with the creating of instructive and motivating content about sustainability, eco-friendly manner, and the advantages of biodegradable materials. Such material may be shared on the company's website, publication, and social media channels to educate and attract the intended audience. Collaboration with influencers and environmentally concerned brands could help magnify the message and reach more people. Social media marketing, used to promote the biodegradable t-shirts, post behind-the-scenes content, and interact with users through sustainability-related hashtags. Marketing via email allow personalised engagement with clients, including new product releases, incentives, and sustainability programmes. In general, the marketing plan would prioritise raising brand awareness, cultivating customer loyalty, and increasing sales through genuine storytelling and real relationships with the target demographic (Neuman, 2019) (Sari, 2019).

Target Market

The company's best target market consists of ecologically concerned clients, especially the younger generation, tourism organisations, and outdoor lovers. This segment of the population prioritises sustainability and actively looks for environmentally friendly alternatives in their purchase decisions. The younger generation, especially Generation Z, are enthusiastic environmentalists who are driving demand for sustainable fashion. Tourism organisations, with a rising emphasis on responsible travel and eco-tourism, seek collaboration with eco-friendly brands to promote sustainable practices. Furthermore, outdoor lovers who cherish nature and outdoor activities prefer apparel that is both kinder to the environment and long-lasting for their trips. By focusing on these categories, the company may effectively increase its reach, build brand loyalty, and contribute to the growing trend for ethical living and tourism (Sari, 2019).

5P's Marketing Model

The elements of the 5Ps marketing framework are Product, Price, Place, Promotion and People. Product highlights the features and value of the item. Pricing involves identifying the appropriate monetary value. Place has to do with accessibility and distribution routes. Promotion includes customer-persuading communication tactics. People entail identifying and addressing the target audience. When creating marketing tactics that work, every P matters (Soboh, 2023).

Table 1: Table 1: 5P's Marketing Model According to the Company's Products

Product	Price	Place	Promotion	People
Bamboo and Hemp T-shirt with Plantable Seed Tag	Premium pricing to reflect added value and eco-friendliness	Available in eco-friendly stores, online platforms, and select retail outlets	Collaborate with environmental NGOs for joint campaigns on reforestation and sustainability	Knowledgeable customer service team trained in sustainable practices, offering guidance on planting, and caring for seeds
Designer Biodegradable T-shirt Collaborations with Famous Artists	High-end pricing due to exclusivity and artistic value	Sold in high-end fashion boutiques, art galleries, and online marketplaces	Host exclusive gallery events showcasing the collaboration and artists' work	Collaborate with influencers and fashion bloggers to generate buzz and excitement, targeting art and fashion enthusiasts
Custom Designed Biodegradable T-shirt	Flexible pricing based on customization options and materials	Offered through the company's website and personalized design studios	Launch a digital marketing campaign highlighting the uniqueness of custom designs	Customer service team trained to assist customers in creating their personalized designs and ensuring satisfaction

Funding Requirement and Allocation

Table 2: Funding Requirement and Allocation

Annual funding based on 150,000 units	Cost £
Product Development	150,000
Materials (7£)	1,050,000
Manufacturer expenses	750,000
Logistic (5%)	40,000
Partnership with manufacturer	50,000
Marketing and Branding	150,000
Salaries	1,600,000
Quality control and Assurance (2%)	20,000
Retail partnership	15,000
Operations and administrations	20,000
Contingency fund (10% of total cost)	384,000
TOTAL	4,229,000
PROFIT (SPU-£40)	1,771,000

If 'Bio-degrade-able T-shirts' company secured financing from the Dragons' Den, a wise allocation of funds would be crucial to long-term growth and success. Here is how the money invested could be divided among various aspects:

- **Product Development:** Funding would be dedicated to product development efforts focused on design and innovation improvement. This could include investing in R&D to explore new sustainable materials, improve the quality of products, and introducing innovative designs and styles to satisfy changing consumer tastes.
- **Material Cost:** A part of the expenditure would be spent on acquiring excellent biodegradable supplies for t-shirt production. This involves making investments in sustainable fabrics, eco-friendly colourants, and other materials that fulfil high environmental standards. By focusing on material quality and sustainability, the company can create long-lasting and environmentally beneficial t-shirts that are attractive to customers.
- **Manufacturer Cost:** A major amount of the investment would be used to cover manufacturer costs. This would entail modernising production facilities, introducing environmentally friendly manufacturing techniques, and guaranteeing compliance with sustainability requirements. Investing in efficient production would increase output, lower prices, and raise the quality of biodegradable t-shirts.
- **Logistics:** Funds would be committed to distribution and logistics to guarantee the t-shirts were transported efficiently. This covers shipping charges, storage expenses, and logistical management solutions for optimising supply chain operations and reducing environmental impact.
- **Partnerships:** A budget would be set aside to develop strategic partnerships and collaborate with suppliers, retailers, and environmental organisations. These collaborations would aid extend distribution channels, get access to new markets, and boost brand reputation by associating with recognised groups.
- **Marketing Cost:** A large amount of money would go towards marketing and promoting the biodegradable t-shirts to the target market. This includes advertisements, branding, initiatives related to digital marketing, social media involvement, and influencer collaborations.

- Salaries and benefits: A portion of the investment would go towards attracting and keeping excellent people across all divisions. Investing in competent staff is critical for fostering innovation, ensuring product quality, and providing outstanding customer service.
- Administrative costs include workplace expenses such as rent, utilities, legal fees, and insurance. Proper administration ensures that operations run smoothly, and resources are managed properly.
- Finally, a contingency fund would be established to cover unexpected expenses or issues that may occur throughout the course of corporate operations.

Revenue and Profit

Having in mind that the selling price per unit is £40 and the amount aimed to produce in term of one year is £150,000 we calculate the revenue and profit as shown in Table 3.

Table 3: Profit in the first half of operating

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Revenue	£500.000	£550.000	£450.000	£600.000	£500.000	£400.000
Expenses (F+V)	£352,416	£372,000	£345,000	£383, 411	£352,416	£309,257
Profit	£147.584	£178.000	£105.000	£216.589	£147.584	£90.743

A positive profit signifies that a company's overall revenue from selling biodegradable T-shirts exceeds all associated expenses, resulting in a surplus. This excess, often known as profit, represents the company's financial gains. Positive profit is good for a firm since it means its activities are profitable and sustainable. It lets the organisation to meet expenditures, invest in growth possibilities, pay dividends to shareholders, and accumulate financial reserves for future endeavours.

Conclusion

Ultimately, receiving financing from the Dragons' Den is a significant chance for 'Bio-degrade-able T-shirts' company to drive long-term growth and success. Implementing the right plan and strategically distributing finances across manufacturing, material procurement, product development, marketing, and partnerships promotes efficient operations, innovation, and brand uniqueness. By focusing on sustainability, quality, and consumer engagement, the company can carve out a niche in the competitive sustainable fashion market, delivering eco-friendly products that appeal to environmentally conscious consumers while also helping the fashion industry and the planet.

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