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Managing Enterprise in the 21st Century

Business Plan **ModaNova Ltd,**



<https://www.modanova.co.uk/>

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Executive Summary

My business idea is to open ModaNova Ltd, a clothing shop that sells affordable and stylish apparel for young adults and professionals. The shop will be located in a busy urban area where many people pass by daily. I want to provide customers with fashionable, eco-friendly clothing at prices they can afford.

In the first year, my goal is to establish ModaNova Ltd, build a loyal customer base, and reach break-even. Later, I plan to expand into other cities and develop my own clothing line.

Business Concept

ModaNova Ltd will sell clothing that combines style, affordability, and sustainability. The shop will offer casual wear, office clothing, and seasonal collections. I will also create an online store so customers can order from home.

Revenue will come from both in-store purchases and online sales.

Business Description

ModaNova Ltd will be registered as a Private Limited Company (Ltd). This format protects me from personal liability and allows the business to grow in the future. The shop will operate in a high-traffic area and target young adults, students, and professionals who want fashionable clothing at reasonable prices.

Product Description

The main products are clothing items such as casual wear, office attire, and seasonal collections. ModaNova Ltd will focus on eco-friendly fabrics and modern designs. Customers will benefit from affordable prices, loyalty discounts, and personalized styling advice.

Business Objectives (SMART Objectives)

- Specific: Open ModaNova Ltd and sell affordable, stylish apparel.
- Measurable: Achieve 500 regular customers and £80,000 in sales in the first year.
- Achievable: Use a £40,000 startup budget for rent, stock, and marketing.
- Relevant: Provide affordable fashion for young adults and professionals.
- Time-bound: Reach break-even within 12 months.

Short-Term Objectives (less than a year)

- Secure a shop location and renovate the interior.
- Source clothing stock from suppliers.
- Launch marketing campaigns through social media and flyers.
- Reach break-even by the end of the first year

Long-Term Objectives (More than a year)

- Expand ModaNova Ltd to three shops in different Romanian cities.
- Launch my own clothing line under the ModaNova brand.
- Achieve annual revenue of £250,000.
- Build partnerships with eco-friendly suppliers.

Market Analysis and Marketing Plan

The clothing market is competitive, but there is growing demand for affordable and sustainable fashion. My plan is to attract young adults and professionals by offering trendy designs at reasonable prices.

Market Analysis (Competitors, Customers, Target Groups)

- **Competitors:** Local boutiques, fast-fashion chains, and online platforms.
- **Customers:** Young adults, students, professionals, and families.
- **Target Groups:** Style-conscious customers who want affordable and eco-friendly clothing.

PESTEL Analysis

- **Political:** EU trade policies support sustainable textiles.
- **Economic:** Inflation may affect clothing costs, but demand for affordable fashion remains strong.
- **Social:** Customers are increasingly interested in eco-friendly fashion.
- **Technological:** Online shopping and digital marketing increase reach.
- **Environmental:** Sustainable fabrics reduce ecological impact.
- **Legal:** Must comply with consumer protection and retail regulations.

SWOT Analysis

- **Strengths:** Affordable, eco-friendly, trendy designs.
- **Weaknesses:** High competition, reliance on supplier quality.
- **Opportunities:** Rising demand for sustainable fashion, online expansion..
- **Threats:** Fast-fashion giants, economic downturns.

Marketing Mix (4Ps)

- **Product:** Affordable, stylish, eco-friendly clothing.
- **Price:** Competitive pricing with seasonal discounts.
- **Place:** High-traffic urban location plus online store.
- **Promotion:** Social media campaigns, influencer collaborations, loyalty programs.

Management Team

I am the Founder and Managing Director of ModaNova Ltd, responsible for strategy, finance, and brand development.

Management Team and Their Background

- **Store Manager:** Oversees daily operations and customer service.
- **Marketing Manager:** Handles promotions and social media.
- **Finance/Admin Officer:** Manages contracts, payroll, and compliance.

Organisational Chart

- Founder / Managing Director (Me – management & financing)
- Store Manager
- Marketing & Sales Manager
- Finance/Admin Office

Key Milestones

- **Quarter 1:** Secure shop location and renovate.
- **Quarter 2:** Launch ModaNova Ltd shop and online store.
- **Quarter 3:** Build customer base and loyalty program.
- **Quarter 4:** Achieve break-even and plan expansion.

Financial Plan (One Year)

Sources of Finance

I will finance ModaNova Ltd through personal savings, family support, and a small business loan if possible.

Cash Flow Forecast

Cash inflows will come from clothing sales in the shop and through the online store. Outflows include rent, stock purchases, salaries, marketing, and operating expenses. The first month will show negative cash flow due to startup costs, but I expect positive cash flow from February onwards as sales increase. Seasonal peaks, especially in December, will strengthen overall performance.

Sales Forecast

If ModaNova Ltd achieves average monthly sales of £7,000, total annual sales will be approximately £77,000. This forecast depends on attracting at least 500 regular customers and maintaining consistent demand throughout the year. Seasonal peaks, especially in December, are expected to increase revenue.

Cost of Production Forecast

Expense	Cost (£)
Shop rent & renovation	12,000
Clothing stock	15,000
Marketing and promotion	5,000
Website and e-commerce	3,000
Business registration and legal	1,000
Operating expenses	2,500
Contingency fund	1,500
Total	40,000

Break-Even Analysis

With fixed costs of £40,000 and a gross margin of 50%, ModaNova Ltd is expected to reach break-even within 12 months.

Operations and Management Plan

Production of Good and Service

ModaNova Ltd will sell affordable, stylish, and eco-friendly clothing sourced from trusted suppliers rather than producing garments in-house during the first year. This approach reduces startup costs and allows the business to focus on branding, customer service, and market positioning. The product range will include casual wear, office attire, and seasonal collections, supported by loyalty programs and styling advice to encourage repeat purchases.

Technology Plan

Technology will be central to operations. A professional e-commerce website will showcase products and enable secure online purchases, optimized for mobile users. Social media platforms such as Instagram and TikTok will be used to promote collections and engage customers, while secure payment systems will build trust. Inventory management and customer relationship tools will support efficiency and personalization

Human Resource Plan

To control costs, ModaNova Ltd will begin with a small team: a Store Manager, Marketing Manager, Finance/Admin Officer, and part-time sales assistants. Recruitment will prioritize retail and customer service experience, with training focused on product knowledge and eco-friendly values. As the business grows, additional staff will be hired during peak seasons, and specialized roles will be introduced to support online operations.

Expansion Plan

In the long term, I plan to expand ModaNova Ltd to multiple shops, launch my own clothing line, and strengthen the online presence.

Reference List

- Barringer, B. R. & Ireland, R. D. (2019). *Entrepreneurship: Successfully Launching New Ventures*. 6th edn. Global Edition. Harlow: Pearson.
- Welter, C., Scrimshire, A., Tolonen, D. & Obrimah, E. (2021). 'The road to entrepreneurial success: business plans, lean startup, or both?', *New England Journal of Entrepreneurship*, 24(1), pp. 21–42.
- Jardim, J. (2021). 'Entrepreneurial skills to be successful in the global and digital world: Proposal for a frame of reference for entrepreneurial education', *Education Sciences*, 11(7), p. 356

Appendices:

Appendix A – Cash Flow Forecast (Year 1)

Month	Inflows (£)	Outflows (£)	Net Cash Flow (£)
January	0	20,000	-20,000
February	5,000	4,000	+1,000
March	6,000	4,500	+1,500
April	7,000	4,500	+2,500
May	7,000	4,500	+2,500
June	7,000	4,500	+2,500
July	7,000	4,500	+2,500
August	7,000	4,500	+2,500
September	7,000	4,500	+2,500
October	7,000	4,500	+2,500
November	7,000	4,500	+2,500
December	8,000	5,000	+3,000

Totals (Year 1):

- **Total Inflows: £69,000**
- **Total Outflows: £59,500**
- **Net Cash Flow: +£9,500**

Appendix B – Break-Even Analysis

- Fixed Costs (Year 1): £40,000
- Variable Costs per clothing item: £12
- Revenue per clothing item: £25
- Contribution Margin per unit: £13
- **Appendix C – Balance Sheet (Example, Year 1)**

Assets

- Cash: £1,000

- Investments: £10,000
 - Inventories: £2,000
 - Property & Equipment: £4,800
- Total Assets: £17,800

Liabilities

- Accounts Payable: £3,500
 - Accrued Wages: £2,500
 - Income Tax Payable: £14,000
- Total Liabilities: £20,000

Owner Equity: £2,215

Appendix D – Market Research Evidence

PESTEL Analysis:

- Political: EU trade policies support sustainable textiles.
- Economic: Inflation may affect clothing costs, but demand for affordable fashion remains strong.
- Social: Customers increasingly demand eco-friendly fashion.
- Technological: E-commerce and digital marketing expand reach.
- Environmental: Sustainable fabrics reduce ecological impact.
- Legal: Must comply with consumer protection and retail regulations.
- Competitor Analysis: Fast-fashion chains (Zara, H&M), online platforms (ASOS), local boutiques.

SWOT Analysis:

- Strengths: Affordable, eco-friendly, trendy designs.
- Weaknesses: High competition, reliance on supplier quality.
- Opportunities: Rising demand for sustainable fashion, online expansion.
- Threats: Fast-fashion giants, economic downturns.