

Report

Task: 1

Title: Business Plan

Module: Managing Enterprise in the 21st
Century (BMSW4006)

Students:

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Dear investor,

We are a group of qualified specialists who want to open their own business. Unfortunately, we need an amount of money to cover some additional expenses. The business involves a salon for brides, where dresses are made to order.

We, the owners Natalia Bejenari, Claudia Buica, Vera Barbos and Oscar David, are specialized in different fields that involve working with the business. We have higher education in the fields of design, management and finance, so we can create a perfect team. We have experience in working with clients and various skills, such as: analytics, marketing, communication, responsibility and organization. We also developed a business plan together, which we will present below.

Thank you for your time and we hope to see you soon to establish all the circumstances.

Sincerely,

Natalia Bejenari, Claudia Buica, Vera Barbos and Oscar David



Magnolia Bridal Shop

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Magnolia bridal shop

Student

1: Natalia Bejenari (2125544)

Executive summary

Magnolia Bridal Shop, LTD is a registered bridal shop business which is located in one of the busiest streets which is Oxford Street- London. We managed to rent a store that is big enough and that fits perfectly with the design of the store that we proposed, which is located near a large number of brand stores on Oxford Street- London.

Magnolia Bridal Shop, LTD will be involved in the sale of wedding dresses, we will offer dresses for rent as well, but our shop is based on a custom-made wedding dress. Of course, we will be involved in helping customers and modifying the dresses, such as lengthening, shortening, changing some details, or adding some lace.

We know that in a big city like London there are other small and big bridal shops that are successful. Of course, it is a disadvantage for us having a large number of competitors, but there are also advantages. We can learn a lot knowing our competitors. We can learn from the stores that are already successful, what makes them better and how they achieved such success. Or knowing the weaknesses of some competitors and learning from their mistakes. (Info Entrepreneurs)

Our services will be second to none for all brides in London. Our customers are the reason why we intend to open this business. We will make every effort to satisfy the needs of our customers, so that they love us and become our loyal customers.

We will continuously improve our services and products to meet the needs of our customers. But employers are also important to us because our success depends on their work, and we will provide them with everything necessary to perform their work at a high level.

Our plan is for Magnolia Bridal Shop, LTD to become a leading brand among bridal shops in London, and to become a top 10 bridal shop in the UK in the next 10 years from the opening of our first shop.

It may seem like an unattainable goal, but we believe in our strengths, and we are a strong and united team, we are optimistic, and we know that we will succeed. As is known, Queen Victoria of England brought the tradition of wearing a white wedding dress (Staniland, 1983), and this tradition will never die. And London is the right place for our business before opening a chain of stores in other parts of the UK.

Magnolia Bridal Shop, LTD is a partnership organization where all team members have sufficient knowledge that has been accumulated through qualifications, but there are transferable skills from previous jobs. These accumulated experiences will help us manage and grow the business towards profitability.

Although we will start our business with a small shop in London, but we plan to open other shops in other cities as well, such as Manchester.

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Skills and Experience

1. Natalia Bejenari specializes in fashion design. She took tailoring and fashion design courses in Moldova. During these courses, Natalia accumulated enough experience to open a new clothing brand. Her knowledge in this field will be very welcome. She will be in charge of choosing the tailoring equipment, the necessary machines, choosing the fabric, and the decorations for the dresses. She will choose the design of the dresses and give advice to clients, in customizing or modifying their wedding dresses. In the same way, she will coordinate with the dress making process, from the beginning to the last work.
2. Claudia Buica will be our market analyst. She worked in Romania at a PR company as a manager's assistant. She will take care of the image and reputation of our company and will

contribute to the development and maintenance of business relationships inside the company and outside it. The skills transferred from the previous job are the following personal competencies: negotiation, sales, leadership and marketing knowledge.

In order for our business to be a successful one, such a specialist is essential.

3. Vera Barbos be our general manager. She fits this job perfectly. Because she worked as a manager at a restaurant in Moldova, there will be nothing new because she has all the skills of a manager: leadership, confidence, time management, customer service, organization, etc. Vera will develop a plan to achieve our objectives. She will take control and coordinate all activities in our store, including the hiring and coordination of employees and the development of a work schedule.
4. Oscar David studied finance in Spain and will be responsible for the financial part of our company. He will be our financial analyst, a good and calculated specialist and works very well under pressure. He will deal with all things related to finances.

Objectives

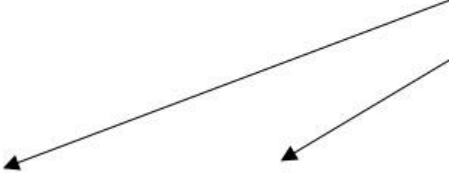
- Short Term - We will build a passionate team with skilled people who will provide our store with quality products and impeccable services, in order to attract customers and make us known in the first 12 months.
- Medium Term - To increase the profit by 20% in the next 2 years so that we can keep our doors open, and to improve our skills to satisfy the demands of our customers.
- Long Term - In the next 5 years we plan to introduce new products and improve our capital and expand our company.

Business Structure

Magnolia Bridal Shop, LTD is a micro enterprise with 5 employees, with hierarchical vertical structure what is the most common structure for start-up. We intend to start with a small shop in London, but to grow big to compete with the top bridal shops in the UK.

We know how important it is to build a good business structure to make our business image and put us on a higher level among top bridal shops. We are a small but skilled team and we do not need to hire people for high positions from the start. We will hire creative and hardworking people, focused on customers' needs and who will be ready to help us build a good business. We decided that the profit should be focused on the employers and their performances for a period of time.

Market Analyst
(Claudia Buica)



Information
Technologist

Cashier

We decided to hire the following positions in our company

- **Cashier-** The responsibility of this person will be to receive payments, to emit receipts to our customers. In the same way, having the ability to inform our customers about the promotions and answer customers on the phone for some advice. Will always be with the team when someone will need help.
- **Customer Services Advisor-** They will always be with our customers to build a relationship and make them loyal customers. They will tell them about our products and services, answer all their questions and offer advice to future brides to choose the dress that will fit perfectly for their big day.
- **Information Technologist-** will take care of the installation of various applications and the identification of software errors and will perform various IT-related tasks of our company.
- **Cleaner-** He will make sure that our shop is shine and clean, with a pleasant smell to create a pleasant atmosphere for our customers and our workers. The cleanliness satisfaction has a major impact on the general satisfaction of both clients and workers. (Cheung, 2021)

Product and Services

Everyone knows about the impact of the textile industry on the environment, and it has not been a secret for a long time. Many blame each other, but few take any measures, only when the crisis point is reached, some measures are taken. For some it can be quite challenging to raise the price of clothes which can lead to a loss of consumers, because of this everything is kept in a chain.(Shishoo, 2012)

Many choose a wedding dress with an artificial fabric because it is cheaper and is worn only once, there are also brides who choose several outfits for their big day and this can cost a lot. Magnolia Bridal Shop, LTD will gladly accept this challenge and will use only natural fabric for our wedding dresses and we will gladly explain to our consumers why.

Most waste in the fashion industry is made in the process of making clothes. 3D software is a zero-waste design tool. The advantages of this tool used in the fashion industry is the reduction of waste, but there is also a disadvantage, which is lack communication and collaboration of the workers. We, being a small company, hope that we will not encounter such problems. (McQuillan, 2020)

The main aim of using 3D Fashion Design Software is to allow our customers to place an order online and they will have the opportunity to see their customized dress but they will also have the opportunity to make some changes before cutting and sewing.

We will create a website where our customers will enjoy a wide range of wedding dresses, but also make an order according to their own wishes. They will be able to make their own design down to the smallest detail, but of course, when choosing the fabric or some decorations, you will have to leave a comment for any detail to help us better understand their wishes or to offer some advice to our designer.

SWOT Analysis

We intend to open a small bridal shop in London, to test for a period of 5 years if our business has a future and then to open other shops.

A SWOT analysis will allow us to understand where our business stands. To know our strengths, to identify our Weaknesses and convert them into strengths, and identify the risks we can face.

This is the SWOT analysis that was developed for Magnolia Bridal Shop, LTD

Strength: The services we offer and our operating methods, our location, a variety of wedding dresses. Our biggest strength is the team who are already experts and already know their job, which will surely lead the business to success. The fact that we use natural fabric can be a weakness for us, but it can be a chance to attract customers who support eco-friendly products.

Weakness: Our weakness is that we are a small store in a big city where we will meet many competitors, and we do not have a big capital to compete with them. We will use natural fabric, which is more expensive than artificial one and will require a larger investment, but also because our wedding dresses will be made of natural fabrics, their price may exceed the price of some competitors' wedding dresses. And we don't have a wide range of products.

Opportunity: We will open our business on one of the busiest streets of London which gives us the opportunity to sell our product in larger numbers. It offers us the opportunity to be seen in such a location without much investment in promotions.

Threat: Like any company, we have many threats, which can be the entry of new competitors, inflation, VAT, government policy, global crisis, etc. (Birnlleitner, 2013)

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MANAGING ENTERPRISE IN THE 21ST CENTURY

Student Name: Claudia Buica

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Introduction

Magnolia Boutique, which was run out of a stay-at-home mother's basement, opened in 2013. Many ladies didn't have the time to spend hours perusing the mall for the perfect outfit, she saw years later when working as a buyer for other apparel businesses. Her efforts have allowed everyone to expand their warehouse, which allows everyone to offer colourful and modern boho clothing to people all around the nation. They handpick the clothing, style and photograph the inventory manually, and dispatch every piece straight from the warehouse in the manner of a boutique. Magnolia gives them access to a professionally chosen, affordably priced selection of contemporary trends, helping them find their own individual look without the steep price tags (Hadjielias et al. 2022). Magnolia Boutique gives the wardrobe a breath of fresh air with its reasonably priced range of independent boutique goods. Individuals won't find a generic inventory here; rather, a unique selection of hand-picked things. Magnolia Boutique is the go-to place for boho clothes, with new items being added every day. They have the newest fashion trends in clothing, accessories, intimates, and shoes at the online boutique since they cater to ladies who want to express themselves via easy, imaginative, and unique style. Women who desire to live freely will appreciate the relaxed atmosphere and friendly atmosphere.

Market Analysis

Online clothes retailer Magnolia Boutique spends over half of their advertising budget on Facebook and Instagram adverts to promote different product categories. The company's moderately priced, seasonally suitable clothing continued to be in demand in 2020, the CEO Susan DelPriore claims, despite lockdowns throughout the epidemic. 2020 saw a 28% increase in sales over 2019 (Petrović-Šteger, 2021). The pace of growth continued in 2021, with web sales increasing by 32% over 2020. Compared to the 2-2.5% range for its social media platforms, the overall conversion rate for Magnolia Boutique is somewhat more than 3.2% (Corbett and Denegri-Knott, 2020). While Facebook and Instagram account for half of the store's advertising spending, TikTok is getting more attention from users. The formulation of a focus of the project strategy and action plan serves as the foundation for the company's marketing, sales, finance, and operations. People with the right experience and knowledge should be involved in the team to maximise all synergistic advantages, from developing insights to developing strategies and action plans. In order to develop and implement their marketing strategic plan successfully, people help homeowners and their executive team through a five-point planning process (Oleszczyk and Dominiak, 2021). This process includes

Insights are developed through a number of processes, such as segmentation and targeting, analysis of the external, and competing firms review, which also illustrates blind spots and research prerequisites.

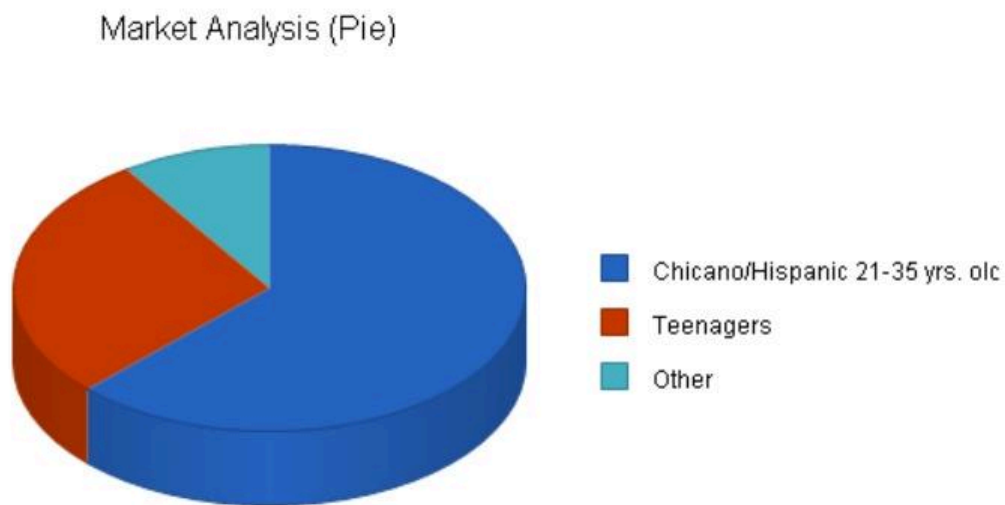


Figure 1: Market Analysis in the boutique Company.

Sources: (Amazonaws.com, 2022)

In addition to strategic insights, they use a strategy canvas to identify any existing blue ocean area, any gaps in company value proposition, and to capture both the current and proposed brand positioning. Brand building, brand architecture, and core brand strategy development are some of the guided modules they utilise for brand strategy creation as needed. At this stage, it is possible to create key themes and market value propositions to guarantee that messaging is appealing to target markets while also being pertinent to them (Sepulveda, 2022). The development of the communications strategy and action plans considers their budget, ranking of all feasible possibilities, and strategic objectives. A media strategy and plan are created by each other, and they are approved before being put into action. Refer to the Customer Engagement infographic to examine the complexity. A comprehensive marketing strategy is developed from this, complete with activities, expenses, budgetary considerations, deadlines, and milestones. An industry is a grouping of enterprises based on their primary generic goods, secondary generic products, etc. The phrase "same side of the market" refers to firms or organisations that carry out their operations in the same economic sector, offer goods that may be compared to one another, or even compete for the same customers (Novak et al. 2022). Online clothing company Magnolia is one that is quickly growing. They want to add exceptional expertise to their marketing team. They will use internet marketing techniques to

improve brand awareness and meet revenue goals. This individual will be able to identify the target audience and will also have a thorough understanding of them.

Trends

The latest fashion trends are always evolving. Despite the fact that the season determines what they should wear, fashion shows and the attire of renowned individuals serve as the fashion inspiration (Roberts and Shell, 2021). Due to the fact that the typical person cannot afford to buy clothing from well-known designers, if they are familiar with the favoured items and how to combine them, anyone can easily replicate pricy ensembles. A few of the experts mentioned in this article are also designers in addition to being fashion bloggers. They all offered their opinions with us and had excellent fashion sense. They talked about the newest fashion trends in terms of apparel, accessories, and materials (Grierson, 2018). They also touched on how the fashion industry is changing to become more sustainable and ecologically friendly. The online fashion business employs recyclers and upcyclers to reduce waste. Recycling enables producers to consume less of the energy and raw materials required to make things. Once waste parts from the manufacturing process are upcycled, a high-quality product is created. Waste may be significantly minimised by creating new garments from all of the deadstock and gently used fabric (Alam et al. 2021). The utilisation of secondhand clothing may also be utilised to refashion many of the pieces into new fashions. By removing or reducing the waste products produced during production, businesses can also see an increase in their profitability. Companies including Hipsters for Sisters produce all of the materials that go into the products they sell by recycling, upcycling, or repurposing deadstock resources.

Being trendy and stylish characterises chic. The speaker is meant to come out as lovely and intelligent in this sort of discourse. Those that adopt this look take care to dress attractively in clothes that are well-tailored, chic, and fashionable (Oridi et al. 2022). The excellent design employs bold, non-extravagant tones. It has nothing to do with being formal, contrary to what they may think. The sense of style will be on display if people choose to wear this trend. It's a throwback to one of the loveliest fashion eras, and is undoubtedly vintage. The vintage aesthetic, which includes styles from the 1920s to the 1970s, includes pinup clothes, retro swimwear, independent clothing, and flapper costumes, to name just a few.

Operations

One of the factors that could identify a culture is the size of the company. Any organisation, regardless of size, can create a great work environment if open communication and the

distinctions between the two are prioritised. Many people have a strict, compartmentalised perception of major organisations (Krishnan et al. 2022). Certainly, there are misconceptions regarding businesses involved in marketing, advertising, and the creative industries. Even while it is generally true that a larger staff size is accompanied with more precisely defined positions and functions, such a structure doesn't necessarily have a negative effect on the corporate culture. One advantage of a larger organisation is potentially more resources for providing help to employees. This includes having more human resources, better benefits and compensation structures, more opportunities for furthering one's education and career advancement, and more. These are some advantages that a large corporation may offer that many smaller corporations cannot (Kosta, 2019). These options, along with others similar to them, increase employee happiness and wellbeing, which results in content workers.

Major agencies provide their staff members a range of groups with which to come up with fresh ideas. Employees interact with new people from diverse divisions in a successful organisation, making each day distinctive. Employees could thrive in this environment when given the ability to learn from a variety of sources. The values and performance measures of larger companies could be more clearly defined (Xiang et al. 2022). This crucial element of a thriving company culture is adaptable to organisations of all sizes. Although the magnitude at which big agencies operate makes it harder for them to uphold some of their goals, doing so while still flourishing is unquestionably possible, as demonstrated by the countless Fortune 50 organisations that are able to do so. Boutique agencies offer the benefit of being nimbler, facilitating quicker and easier interactions between skill sets, and having more opportunities for on-the-job development (Khan et al. 2020). Since there are fewer hands-on personnel involved, they are typically perceived as being less organised and more stressful.

Technology plan

In order to increase the accuracy of inventory accounting, lower theft rates, and simplify inventory audits, inventory management technology combines hardware and software. RFID tags may be used to identify inventory goods individually or in batches, providing data on the item's kind, price, shipment details, date of shipment, and almost any other relevant information (Hasnawati et al. 2022). By replacing paper-and-pencil methods with software inventory management tools, the time needed to record inventory additions and subtractions is decreased. Any firm that serves customers directly or indirectly must have access to communications technology. The telephones at clothing stores should be many and connected to both an internal network and an external line. Once a customer has a query regarding a product or the store's

hours, they must be able to contact the retailer during regular business hours (Setiyani and Tjandra, 2022). Using technology, inventory may be protected against threats from both the inside as the outside.



Figure 2: Technology Used in the Boutique business.

Sources: (Blogspot.com, 2022)

Security alarms on windows and doors can call the police if there is an intruder. By putting clever locks on the doors guarding storage facilities, both internal theft and break-ins may be reduced. Video evidence of thefts can help local law enforcement locate the perpetrators and stop future crimes. Cameras can also discourage employees from ever attempting to steal anything. The development of technology always offers new security options (Rahman et al. 2020). With smartphones, new opportunities are opened, such as the flexibility to see security alarms and monitoring systems whenever and from any location.

Boutique marketing may take time and be put on the back burner, particularly if they have a tiny workforce. The success of the boutique, however, depends on their marketing strategy. Social media marketing, Texting, chat, and email are important sales channels used by prosperous boutique businesses (Nobert et al. 2020). Focusing on email and social media is a smart move because they both support one another. In order to help businesses, decrease the amount of time they spend on marketing, customers may choose from a range of accessible marketing platforms including Paypal, Klaviyo, and Flow. Some of them can connect to their POS system and online resources, allowing them to create more intelligent marketing campaigns that employ purchase data and are consequently far more successful (Asmike et al. 2022). A key component of bridging the gap between online and offline purchasing is paying

for products and services. Accepting a range of digital payment methods increases convenience and consistency for customers. Supporting buying now and paying later, QR code payments, based on the provisions including Google Pay and Contactless Payments, along with cryptocurrencies, may improve accessibility for both online and offline consumers (Hossain and Imran, 2019). As a result, there is a strong connection between retail business and fintech innovation. The more cost-effective and convenient the solutions offered by fintech companies are, the easier it is for a retail firm to plan the optimal operation of both online and offline stores in terms of the financial side.

Conclusion

Stylish apparel, materials, and accessories for men, women, and children are the focus of Magnolia Boutique, a small retail space and tailoring business. They are relatively simple to start and may be completed by one person because creating a boutique takes much less capital. It is less expensive to launch an internet store than it is to operate a physical one. Salary, rent, payroll, maintenance, utilities, costs of renovation, and other initial expenses are part of the start-up costs for in-store payments. Significantly less cash is needed for e-commerce. Small businesses, many of which are boutique clothing stores and other sorts of retail operations, account for the bulk of employment in the nation. Unlike its larger competitors, boutique owners carefully choose and curate the brands and fashion houses that are unique to their locale and market. Additionally, local clothing businesses may provide their patrons more individualised customer service and advice on the best products for their needs.

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Student 3: Vera Barbos (2131047)

The bridal salon, Magnolia, being a micro business, cannot enjoy a large spectrum of employees, but having a few qualified and well-organized workers, in order to cope with the development and growth of the salon.

Considering the development of the salon, we have elaborated a list of employees who will work and contribute to the sale and service of future brides.

In this way, we have the designer, Natalia Bejenari, who is the basis of the procedure, who creates the new models of dresses. The responsibilities of the designer are the following:

- builds the patterns to produce clothes and grades them
- chooses the materials for the collections, supplies them with these materials, but also with auxiliary and consumable materials
- maintains contact with suppliers, but also with the beneficiaries of its collections
- takes care of the effective production of the models, whether we are talking about unique clothes, or whether we are talking about series productions,
- the fashion designer also sets the price of the collections, documents himself permanently in relation to market trends and keeps in touch with the world of fashion.

In our case, the designer is also the owner, which adds a series of responsibilities, such as:

- creates, communicates, and implements the organization's vision, mission, and overall direction, leading the development and implementation of the overall organization's strategy,
- responsible for providing direction for the business,
- signing checks and documents on behalf of the company,
- evaluates the success of the organization,
- reports to the board.

The functions of the market analyst belong to Claudia Buica, she will have the jobs of sales and marketing manager, information technologist and customer services executive. Her responsibilities will be the following:

- manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones,
- models' demographic information and analyse the volumes of transactional data generated by customer purchases,
- identifies, prioritizes, and reaches out to new partners, and business opportunities,
- identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects,
- responsible for supervising implementation, advocate for the customer's needs, and communicate with clients,
- develops, executes and evaluates new plans for expanding increase sales,
- documents all customer contact and information,
- represents the company in strategic meetings,
- helps increase sales and growth for the company,
- manages the organization website,
- handles ecommerce aspect of the business,
- manages logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems,
- handles any other technological and IT related duties,

- consistently stays abreast of any new information on the organizations' products, promotional campaigns to ensure accurate and helpful information is supplied to customers when they make enquiries (answer customer queries regarding the store and the merchandise),
- finds out the customer's needs, recommend, select and help locate the right merchandise, describe a product's features and benefits,
- provides information about warranties, manufacturing specifications, care and maintenance of merchandise and delivery options.

The functions of shop manager, human resources and admin manager and merchandise manager are assigned to Vera Barbos. The main responsibilities being:

- responsible for overseeing the smooth running of HR and administrative tasks for the organization,
- maintains office supplies by checking stocks; placing and expediting orders; evaluating new products,
- ensures operation of equipment by completing preventive maintenance requirements, calling for repairs,
- updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations,
- enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments,
- defines job positions for recruitment and managing interviewing process,
- responsible for arranging travel, meetings and appointments,
- oversees the smooth running of the daily office activities,
- responsible for managing the daily activities in the store,
- ensures that proper records of goods are kept, and our racks and warehouse does not run out of products,
- ensures that the store facility is in tip top shape and goods are properly arranged and easy to locate,
- controls goods distribution and supply inventory,
- supervises the workforce,
- ensures that the organization operates within stipulated budget. Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams,
- help to ensure consistent quality of bridal wears and accessories in our shop,
- responsible for the purchase of bridal wears, accessories and related products for the organizations,
- responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors.

Another important branch is accounting, which requires a lot of attention, work and responsibility. Oscar David is the accountant, who does his job at a high level of professionalism. The following responsibilities are assigned to him:

- responsible for preparing financial reports, budgets, and financial statements for the organization,
- provides managements with financial analyses, development budgets, and accounting reports; analyses financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions,
- responsible for financial forecasting and risks analysis,
- performs cash management, general ledger accounting, and financial reporting,

- responsible for developing and managing financial systems and policies,
- responsible for administering payrolls,
- ensures compliance with taxation legislation,
- handles all financial transactions for the organization,
- serves as internal auditor for the organization.

There will also be workers hired to clean, who will have to:

- be responsible for always cleaning the shop facility,
- ensures that toiletries and supplies don't run out of stock,
- cleans both the interior and exterior of the store facility,
- handles any other duty as assigned by the shop manager.

From an ecological point of view, tailoring will not have a negative impact on the environment:

1. machines and equipment will work with electricity; thus, people and nature being protected from any harmful substance,
2. the remaining materials will be reused or stored in special containers for waste,
3. natural fibre materials will be used to meet the needs of our customers and to avoid any case of allergy or itching caused by any type of material,
4. friendly collaboration with our customers at a high level,
5. and finally, safe payments, guarantee for any chosen product and its return in case of any dissatisfaction.

Developing a business involves hard work on all aspects related to it. By developing a concrete plan, a future manager can predict the direction of the business and what exactly needs to be done to maintain it and provide support for its growth. The Magnolia bridal boutique is based on a simple and safe plan that can provide it with rapid growth and development. The first point would be the management of fiscal and legal aspects. Based on certain knowledge related to laws, documents, insurances, licenses and finances, the business will progress, and the owner will always have a solution to get out of unforeseen situations. So, the first step will be securing the boutique with licenses, insurances and its financing. The second step will be renting the space and arranging it. Providing the boutique with materials, sewing machines, computers, office objects, setting up the space for customers and offices for workers. The third step in opening the business will be the hiring of workers and their training. Creating a team made up of professional members is a way to prosper and work effectively. Everyone knows their responsibilities well and knows what they must do. And the director is free to deal with other important things related to business development. Step 4 would be the development of the team and the product. By making an informative panel, an advertisement, having a good team and making a website for the bridal salon, the promotion of the products will take place very soon. Making a showcase with different models of dresses from various materials and accessories, they will attract as many customers as possible, and thus the promotion of the business will take place. And this is where the most important stage begins, when the business starts working. Everyone knows their responsibilities, clients become interested, recommendations appear between brides and the sums collected are large enough to start investing in the growth of the business.

Of course, they all have their negative sides, problems, shortcomings may appear, and if the business fails to be promoted, it may even find bankruptcy. And as I said before that a good director should foresee the possible growth, so he should also foresee the exit plan in case of bankruptcy or crisis. In this case, the best way to get out of this business would be

liquidation. On the one hand, the products could be sold at market price to cover the taxes and credits, but with this method we will have the lowest income as an exit plan.

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PROGRAMME : CertHE Skills for the Workplace

MODULE: BMSW4006 MANAGING ENTERPRISE IN THE 21ST CENTURY

MODULE LEADER: Alfred Mensah

ASSIGNMENT TITLE: Task 1 Business Plan 2000 words report

STUDENT ID: 2133003

OSCAR DAVID SEDANO GIL

Magnolia's Boutique – Financial Plan

It is an annual projection of the incomes and expenses estimates by the company for the present year. Financial Plans are the collection of the historical, present and future financial statements.

The aims of this report are to explain and understand the four primary financial statements and how they have been reasonably implemented in our Model of business; trying to be as accurate as possible to conduct successful viability checks at the end of the first years, depending on the cash flow balance.

The four primary financial statements:

1. Balance Sheet Template:

Highlighting the statement of the assets, liabilities, and equity of Magnolia's Boutique.

2. Break Even Analysis:

Examining the point in which Magnolia's Boutique has sold enough products or services to have covered all their costs.

3. Cash Flow / Funding Request.

Outlining the future funding requests for Magnolia's Boutique

4. Cash Flow Forecast / Exit Strategy

Encountering the viability that depends on cash inflows from the sales and cash outflows that costs money.

Magnolia's Brief History

This brief summary aims to put the rest of the numbers and formulas that will follow this report in context, so the audience that reviews this report will have a brief understanding on the financial plan of Magnolia's Boutique. Explaining the main concepts and how they will be applied in order to have a successful and realistic outcome.

The main objectives that we hope to achieve in our company are:

- Being able to survive into the market and have a successful company for the next two years while increasing our profit to an estimated 20%.
- To increase our capital by increasing the volume of product available and their quality, in the next 5 years.
- To being able to introduce new products and consolidate the market before attracting more investment and extend the company.

The following report is not in a particular order. The objective is to provide a more understandable and accessible idea on how to build a sustainable model of business. Specially oriented to maintain a balance between the expectations generated by the possible benefits obtained based on reasonable and accurate technical studies by financial experts and the business viability which depends on cash flow reports by the end of the period.

The following numbers demonstrate the business plan's finance to request the anticipated future financial needs. Typically, the time horizon is around five years, however in this case is mainly focused on a 12-month cash flow forecast as this is a new company and we have great expectations based on deep financial studies about the viability of Magnolia's Boutique. The future financial plans of the company must be disclosed, including details such as the amount of cash needed at certain stages or the various sources of capital.

1.Funding Request

40% Personal fundraising: savings & friends

$25.000 * 4 = 100.000$

40% Personal loans

$25.000 * 4 = 100.000$

20% Government funding

Cash for new entrepreneurs 20.000

Interest free for new start-up 30.000

Budget: 250.000 S.L.

Firstly, after obtaining a free professional business advice from the business support program of Westminster, has helped us come to the conclusion that following the above steps can provide us a reasonable budget that not only could be achievable but also affordable to start a business and possibly make a successful outcome.

To start with funding, the four business partners of this company have professional successful careers. Having personal savings is an advantage when it comes to starting with a business. As young entrepreneurs we want to invest not in a conventional path but being more straightforward, getting directly on this business market that not only we enjoy but also, we believe it will be profitable. Overall, we have an initial budget of £100,000 obtained by personal saving, family and friends, which is a good budget to start a company without any loans from a start.

Based on our needs, when requesting a loan we will need another £100,000 to form the company. After exhaustive research in the loan market, we have come to the conclusion that requesting personal credits will be easier to get the money quickly and easily within decent rates of interest than trying to get the money as a company that does not have any current assets to negotiate with, because it has not been created yet.

The remaining 20% required to set up the company will be obtained from Government Funds, which are especially created to help new entrepreneurs starting a new business.

2. Balance Sheet

2.1 Current Assets:

Cash	£150,000
Investments	£10,000
Inventories	£15,000
Accounts receivable	
Pre-paid expenses	£9,000

2.2 Fixed Assets:

Property/Equipment	£16,000
Leasehold improvements	
Equity and other investment	

TOTAL ASSETS: £200.000 / NET: + £50.000

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	£10,000
Accrued wages	£140,000
Accrued compensation	
Income tax payable	£20,000
Unearned revenue	

LONG-TERM LIABILITIES:

Mortgage payable	£36,000
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Owner Equity:

Investment capital	£10,000
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Owner Equity:

Accumulated retained earnings	£10,000
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TOTAL LIABILITIES & STOCKHOLDER EQUITY	£ 226. 000
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BALANCE SHEET

Cash	£150,000
------	----------

Accounts receivable	£35,000
---------------------	---------

Inventory	£15,000
-----------	---------

Total Current Assets	£200,000
----------------------	----------

Fixed Assets, Net	£16,000 + £34,000
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TOTAL ASSETS	£250,000
--------------	----------

Total Current Liabilities	£170,000
---------------------------	----------

Long Term Liabilities	£36,000
-----------------------	---------

Owners' Equity	£20,000
----------------	---------

TOTAL ASSETS	
--------------	--

Total Liabilities & Stockholder Equity	£22,6000
--	----------

BALANCE	£24,000
---------	---------

This statement will summarise the final balance of the company. To start with, as demonstrated on the tables provided, the total fixed assets that contain the total current assets (£200,00) plus the fixed assets (£50,000) show a total of £250,000.

On the other hand, the liabilities, known as the debts, that must be paid within the first year, could be distributed as total current liabilities (£170,000), long term liabilities (£36,000) and the owners' equity (£20,000). The total liabilities plus the stockholder equity will be the total amount of £226,000.

At the end of the balance sheet will be (£250,000) minus (£226,000) equal to (£26,000).

BREAK EVEN ANALYSIS

<u>Fixed cost</u>	Cast
Salaries (Includes Payroll taxes)	£140,000
Supplies	£15,000
Repair & Maintenance	£1,000
Advertising	£5,000
Car, Delivery and Travel	£15,000
Accounting and Legal	
Rent	£36,000
Telephone	
Utilities	£12,000
Insurance	£2,000
Taxes (Property etc)	
Interest	
Depreciation	
Other(specify)	
Miscellaneous expenses	£5,000
Principal Debt Payment	
Owner's Draw	
 TOTAL	 £231,000

VARIABLE COST	Percentage
Cost of Goods Sold	20%
Inventory	15%
Raw Materials	10%
TOTAL	45%

FORMULAS

$$\text{£}231.000 \text{ -----} 55\%$$

$$X \text{ -----} 100\%$$

$$X = 100\% = \text{£}420.000$$

$$\text{Variable} = 420.000 - 231.000 = \text{£}189.000 = 45\%$$

$$\text{Fixed cost} / 231.000$$

$$(\text{sales price per unit/£}3.500) - (\text{variable cost per unit/£})$$

$$\text{Break-Even Point (units)} = 2310 / 24 = 96.25 = \text{BEP}$$

$$\text{Break-Even Point (£ sales)} = 231.000 / 0.68 = \text{£}339.706$$

$$\text{Margin Ratio:} (\text{sales price per unit} - \text{variable cost per unit})$$

$$/ \text{ sales price per unit} = (3500 - 1100) / 3500 = 0.6857$$

The main point of this break-even analysis is to show when the income and expenses are balanced, so our business is at breakeven. Although we aren't truly making money, but we are also not losing money every month either. It usually takes a business two to three years on average to reach the breakeven point, but after the break-even analysis for Magnolia's Boutique, this point would be reached within the first 12-month according to our detailed research.

An explanation of the formulas above shows that the break-even point (units) could reach up to an amount of 96.25 sales.

Having in mind that the variable cost per unit will be around £1,100 and calculating the sales price per unit will be an average cost of £3,500.

On the tables above provide the fixed costs that include salaries, supplies. Advertising, rents, utilities, car, delivery and others add up the total amount of £231,000.

The total variable cost include: the cost of goods sold, the inventory and the raw materials which add up the total percentage of 45%.

Regarding to the numbers the fixed costs (£231,000) represent the 55% of the cost. This means that the variable cost, 45% represents a total amount of £189,000.

The break-even sales level which is the sum of fixed plus variable costs gives a total of £420,000.

CASH FLOW FORECAST / EXIT STRATEGY

Sales $120 \times 3.500 = 420.000$ BEP Sales First Year

Loans & Interest: -140.000, First Year Loan Repaid

Sales-Loans Liabilities: $420000 - 140000 = 280.000$

$280.000 + 231.000 = 511.000 >>> 420.000$ BEP Sales

These is the forecast just for the first year going

low profile, being a bit more optimistic/realistic

between the seasons the sales could be higher:

$15 / \text{a month} = 180 / \text{first year} \times 3.500 = 630.000$

$630.000 - 140.000 = 490.000 >>> 420.000$ BEP

Sales / Possible Profits £70.000

This is a projection that predicts how much money will come into and leave our company over the course of a year. Estimated sales, income, and routine business expenses are included. Our business forecasting cash flow will be over the next 12-month period, as mentioned before it is a new company with the challenge of being successful on the first two years.

Being optimistic within the first year, knowing we do not have a known product that is recognised along multiple global brands as competitors, we still believe that being located in one of the most famous streets of London give us the great opportunity to be able to sell and being recognised. This is a well-studied project based on deep research of the market opportunities and the enthusiasm shared between all the business partners in this project.

This forecast is expected to sell about 10 wedding dresses a month for the first year. As mentioned before, we will sell each unit to an average of £3,500, so the break even point in the first 12 months would be a total amount of £420,000. Having in mind that the budget has been £250,000 and even with that amount at least half of them £125,000 are cash in advance to guarantee the rent and the salaries of the workers for the full first year, this amount could be used to refinance the loans or appliance the production if necessary.

With this prediction the loans and interests of £140,000 would be repaid at the end of the first year, which is one of the best achievements of this project. After taking the liabilities for the first year from the sales we have a total amount of £280,000 plus £231,000 of total assets that equals to £511,000.

This quantity exceeds the break-even points fixed on £420,000. This means that we will get profits after the first year, around the ten months of setting the company according to the BEP chart.

Finally, this financial plan has been created by following advice from experts, trying to be as accurate as possible to be accorded to the reality of these challenge days.

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Managing Enterprise in the 21st Century (BMSW_4006)

Vera Barbos (2131047)

Natalia Bejenari (2125544)

Claudia Buica (2133742)

Oscar David Sedano Gil (2133003)

Lecturer's name: Alfred Mensah

Introduction

Magnolia Bridal Boutique

Natalia Bejenari : Executive Summary and Business Concept

Claudia Buica : Market Analysis, Marketing Plan and Operation

Vera Barbos : Management Team and Management Plan

Oscar David : Financial Plan

Date and venue :

17/12/2022

University of Wales Trinity Saint David



Table of contents

- Business description and history
- Aim and objectives
- Mission and vision
- Business structure
- Product and service description
- Market analysis and trends
- Technological plan
- Management and organization
- Social responsibility and sustainability
- Development, milestones and exit plan
- Financial plan
- Balance sheet
- Break even analysis
- Cash flow/funding request
- Cash flow forecast/exit strategy





Business Description and History

- Legal name: Magnolia bridal Shop
- Legal form: Private limited company
- Location: Oxford street, London
- We operate 7 days a week: Monday to Friday 10:00-20:00
Saturday and Sunday 10:00-18:00



Aim and Objectives

- To provide quality services and product that will help us increase sales
- Survive into the next 2 years increasing our profit by 20%
- Building a strong and passionate team with skilled people, this will be our key to succeed
- To increase our capital in the next 5 years by introducing new products, increasing their volume and quality

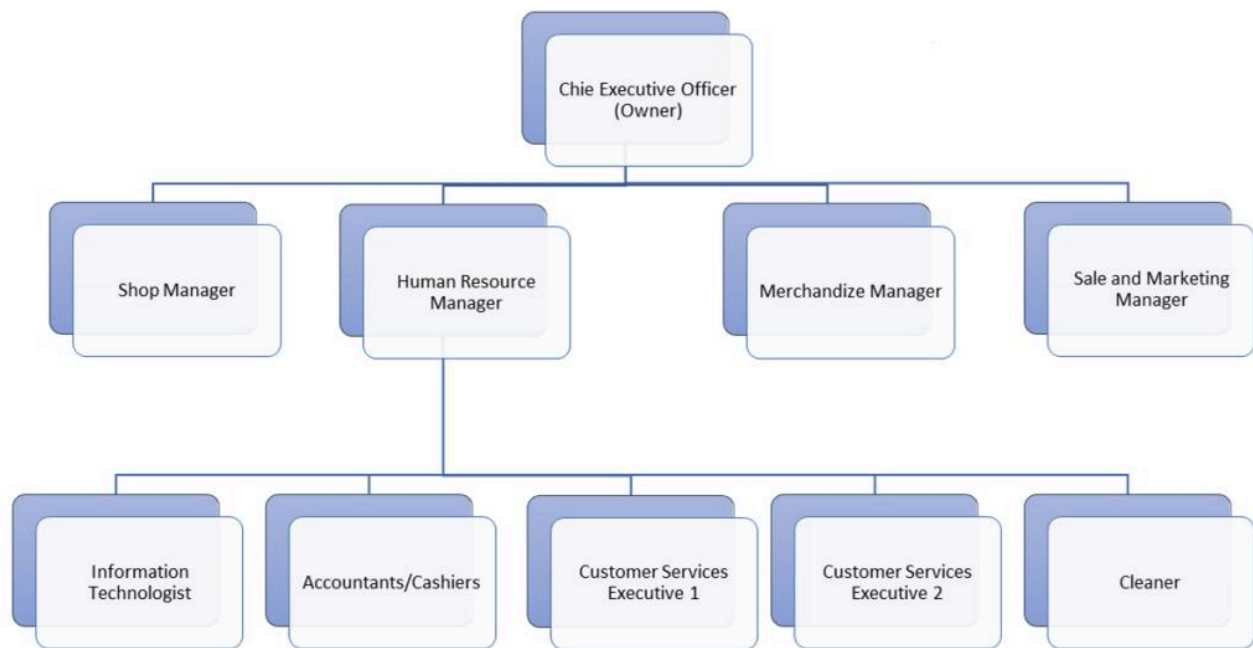


Mission and Vision

- Our vision is to become the leading bridal shop brand
- Our mission is to provide our shop with a wide range of affordable wedding dresses for all brides

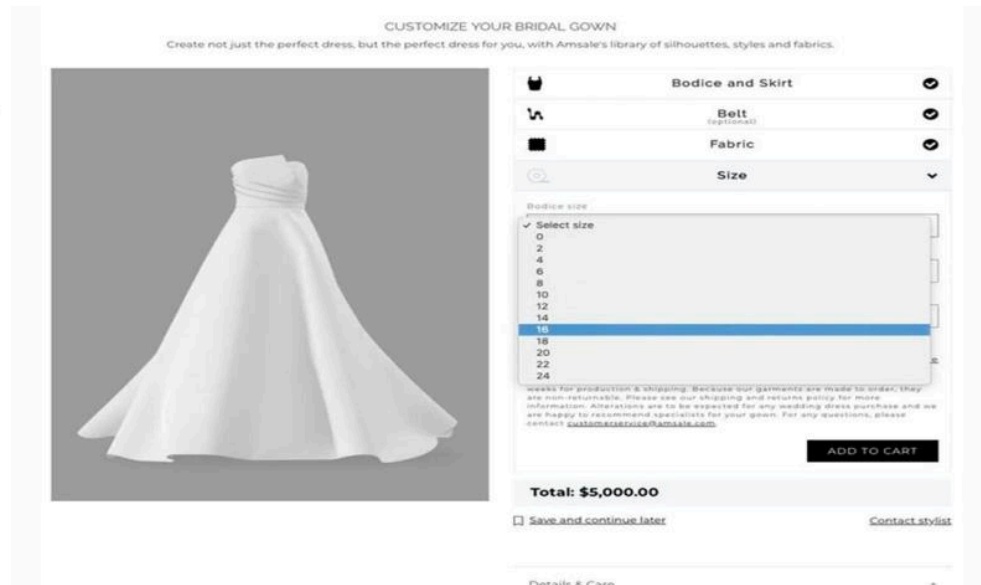


Business Structure



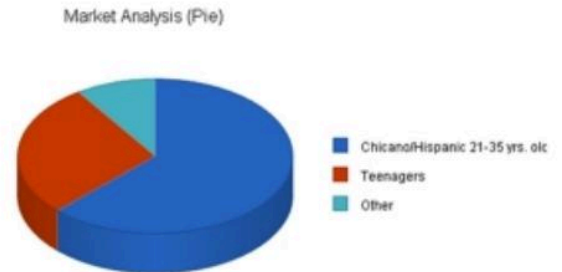
Product and Service Description

- We use virtual fashion design software to meet our clients' requirements
- Quality wedding dresses, and we use only natural fabric
- We created a website to allow our customers to easily buy our products online or customize their own wedding dresses



Market Analysis and Trends

- A job description for a clothing shop often includes customer service, inventory control in-store, and payment processing.
- For a business, a designer's job is to supervise the research and development of new trends.
- All financial concerns, including keeping and analysing financial records, are handled by the accountant of a corporation (Adrien and Asano, 2021). They may be in charge of duties like balancing bank statements and calculating payroll in order to ensure the company's financial stability.
- An HR needs to influence and inspire the sales department in order to effectively handle and negotiate contracts.



Technological Plan



- A sector that has always depended on innovation and creative expression is suddenly adopting technology at a rate never previously seen, adding more science to the mix.
- The last two to three years have seen an increase in the impact of technology on the fashion industry, particularly where it interacts with customers.
- The practical qualities of technology and fashion are typically the sole factors that purchasers or customers take into account (Chen et al. 2022).



Strength:

- Our location, the business model we will operate (brick and mortar bridal shop and online bridal shop), variety of payment options, wide range of bridal gowns and our excellent customer service culture will count definitely as a strong point for our store.
- Also, our management team members are people who have what it takes to grow a business from scratch – to profitability in record time.

Threat:

- Just like any other business, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing / spending power.
- Another threat that may likely confront us is the arrival of a new bridal shop in same location where ours is located. We are not ruling out the fact that unfavorable government policy can also pose a threat to our business.

SWOT Analysis

Weakness:

- A major weakness is that we are a new bridal shop in London where is a lot of competitors.
- We don't have the financial capacity to compete with the bridal shops that already have quite a large profit.

Opportunities:

- The fact that we will be operating our bridal shop on one of the busiest streets in London gives us unlimited opportunities to sell our wedding dresses.
- We have been able to carry out thorough feasibility and market studies and know what our potential customers will be looking for when they visit our bridal shop; we are well positioned to take advantage of the opportunities that will come our way.



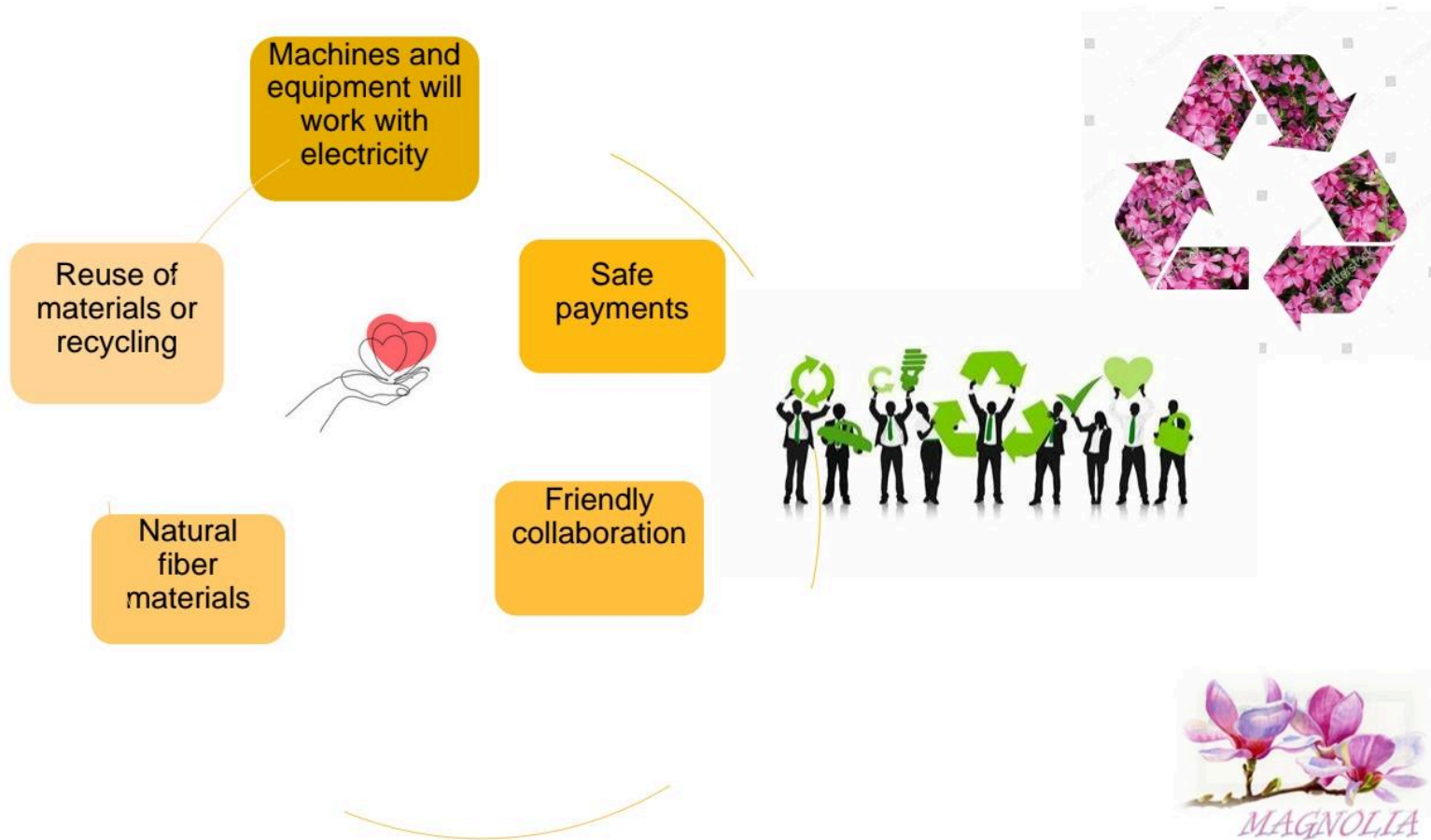
Management and Organization

Chief Executive Officer – CEO	Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers;
Admin and HR Manager	Responsible for overseeing the smooth running of HR and administrative tasks for the organization
Shop Manager	Responsible for managing the daily activities in the store
Merchandize Manager	Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
Sales and Marketing Manager	Helps increase sales and growth for the company

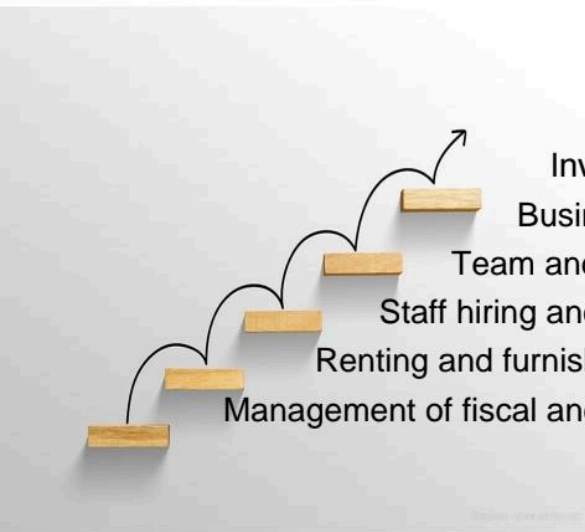
Information Technologist	Manages logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems
Accountant / Cashier	Responsible for preparing financial reports, budgets, and financial statements for the organization
Client Service Executive	Ensures that all contacts with clients, provides the client with a personalized customer service experience of the highest level
Cleaners	Responsible for cleaning the shop facility



Social responsibility and sustainability



Development, Milestone and Exit plan



Exit plan: liquidation. The advantage: everything will be sold at market value and the remaining money will be used to pay off debts. The disadvantage: We will get the lowest income as an exit plan.



Magnolia's

Financial Plan:

Budget, expenses, investment

1. Balance Sheet Template

2. Break Even Analysis

3. Cash Flow /Funding
Request

4. Cash Flow Forecast/Exit
Strategy



Balance Sheet

- Cash
150000
- Accounts receivable
35000
- Inventory
15000
- Total current
assets
200000
- Fixed assets,
net
34000
- Total
assets
200000 / 250000

16000 +

2

2

Total current Liabilities:

170000

Long term Liabilities:

36000

Owner Equity:

20000

Total Assets: 200.000

Total Liabilities & Stockholder Equity: 226.000

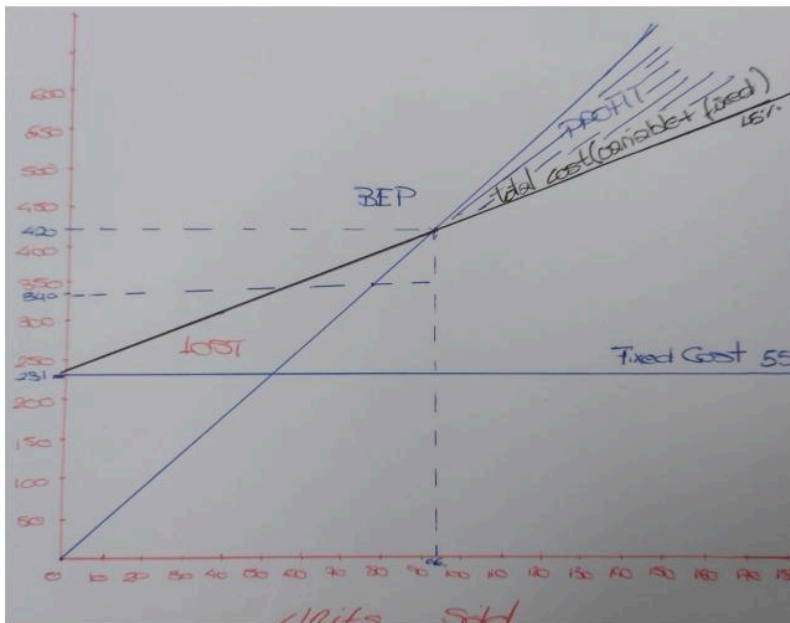
Balance: (26000)



Break Even Analysis

Variable Costs	Percentage	Fixed Cost	Cost
• Cost of Goods Sold	20%	• Salaries(Payroll taxes)	140000
• Inventory	15%	• Supplies	15000
• Raw Materials	10%	• Advertising	5000
		• Rent	36000
		• Utilities	12000
• TOTAL	45%	• Car,Delivery&Travel	15000
• Break Even Sales Level :		• Others	7000
• £420.000 (Fixed+Variable Cost)		• TOTAL	£231000





BEP(Units): 96

Fixed costs

$$231K / [(3500) - (1100)] = 96.25$$

BEP(Sales pounds)

Fixed cost
/contribution
margin ratio

$$231k / 0.68 = 339.7K$$



Cash Flow / Funding Request

- 40% Savings & Friends
25K * 4 : 100.000
- 40% Personal Loans
25K * 4 : 100.000
Govtment Funds
20% : 50.000
www.wbsp.info/
250.000
- 100.00 Cash in Advance, 9 months, 3 months guaranteed.
- 25.000 Cash in Advance, 3 months ,plus deposit.
- 50.000 Goods than can be use as
guaranteed deposits.
250.000 + 175000
425.000 >>> BEP Sales



Cash Flow Forecast / Exit Strategy

- Sales $120 * 3.500 : 420.000$ BEP Sales First Year
- Loans & Interest : - 140.000 , First Year Loan Repaid
- Sales – Loans Liabilities : $420.000 - 140.000 : 280.000$
- $280.000 + 231.000 : 511.000 >>> 420.000$ BEP Sales
- These is the forecast as first year going low , being a bit more optimistic/realistic between seasons the sales could be higher:
- 15 / a month : 180 / first year * 3.500 : 630.000
- $630.000 - 140.000 : 490.000 > 420.000$ BEP Sales/Profits 70.000
- Exit Strategy : Liquidable, Refinance, Sell to a third Party.



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