

BEATRICE AND FRANCIS BUSINESS PLAN

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ABSTRACT

Beatrice and Francis (B&F) is a fashion design house envisioned by fashion designer Rosemary Mlekwa (RM). This business plan serves as the framework for the development of B&F. The plan highlights how the fashion house intends to debut into the intensively competitive fashion industry and provides insight on the Designs' product offering and overall vision and mission. Through the vision of RM, B&F aims to grow into a fashion powerhouse offering high end, quality designs to a niche market at lower prices than the competition. Each B&F creation expresses unique femininity, merged with Tanzanian culture and influenced by nature, architecture, people, culture, history and romance. B&F offers a new look based on simplicity, individuality and femininity. The business plan has been developed based on guidelines provided by the US small business Administration. (sba.gov, 2014).

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1. EXECUTIVE SUMMARY

Characterized by garments made from eco-friendly fabrics, Beatrice and Francis (B&F) designs aim at providing a look that provides the wearer with a unique and individualistic flair. The design offers stylish and sustainable apparel.

Each piece is made based on designer Rosemary Mlekwa's (RM) personality. RM enjoys expressing herself through clothing with effortless spontaneity, but is also very selective. Her clothing expresses unique femininity, merged with Tanzanian culture and influenced by nature architecture, people, culture, history and romance. B&F offers a new look based on simplicity, individuality and femininity. Beatrice and Francis adorn luxury fabrics with intricate details such as hand stitching and homemade accents to add individuality and personality to each piece.

Initially all products will be offered for sale via the fashion house's website, *beatriceandfrancis.com*. The website will offer full access to the latest offerings and allow clients to experience the brand's product offerings and designer updates 24-hours a day from the comfort of their homes. In the future, as the brand picks up and begins to achieve brand recognition, it is intended that B&F will have a boutique in Dar-Es-Salaam, Tanzania and an exclusive contract will be entered into with a nationwide USA fashion retailer. Currently several nationwide retailers such as Saks Fifth Avenue and Barneys, New York have been identified as potential partners and key buyer contacts at each of the retailers have been obtained.

1.1. Mission Statement

The mission statement of B&F is to offer high quality silk fabric designer items at reasonable prices. B&F aims to serve as a design that makes sense in 21st century fashion

while maintaining feminine edginess and providing unique hand craftsmanship influenced by designer RM's Tanzanian culture: detail such as embroidery work and hand beading.

Initially, B&F will start with a 12-piece collection of designs made from silk fabric with some embroidery work and detail. A few samples of the dresses that will make up the 12-piece collection are provided below. (See Figures 1 – 3).



Figure 1 : Malaika Cocktail Dress Sample



Figure 2 : Orange Heart Gown Sample

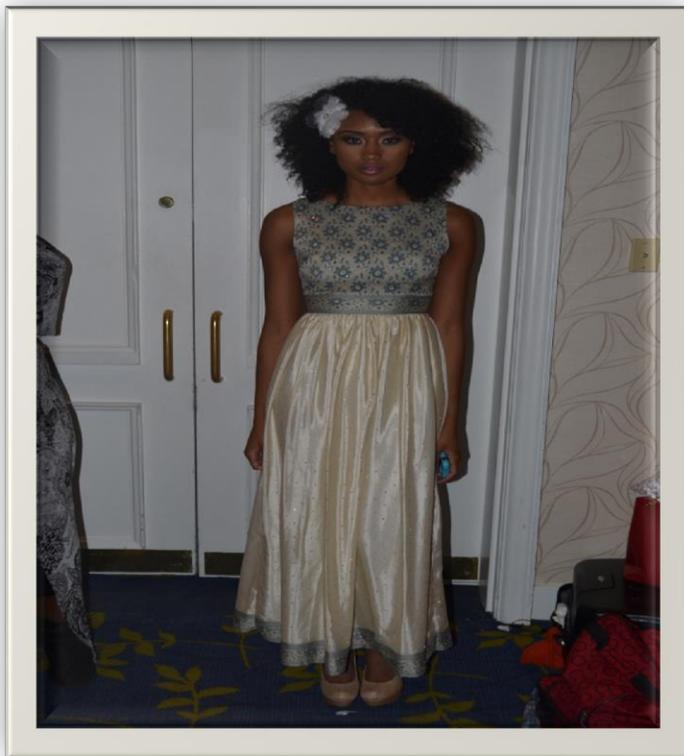


Figure 3 : Swarovski Crystal Gown Sample

1.2. Vision

Short Term: To produce an evening collection consisting of 12 styles with size ranges from small, medium and large, with five units of each size (S, M, and L). The entire collection will comprise of 180 pieces. This will be marketed on-line at *beatriceandfrancis.com*.

Long Term: To grow and produce two lines in the spring of 2015

1. A collection of evening wear using eco-friendly fabrics.
2. A day to night collection using Ankara fabric.

The overriding vision of Beatrice and Francis is to grow into a reputable fashion house offering high end, quality designs to a niche market at lower prices than the competition that offers similar garments.

1.3. Key To Success

Beatrice & Francis is aiming at an upper class clientele, as well as the wedding market. B&F collection is suited for romance and fantasy. Some of the biggest fashion houses today have substantial budgets for marketing and for fashion shows/weeks which keeps the buzz constantly on them (Prabhaka, 2007). Through these runway shows they are able to showcase their latest offerings, surrounded by glitz and glamour thereby attracting customers, leading the way in trends, and retaining the loyalty of their customer base. Established lines and fashion houses not only communicate trends, but they also create scenes showing their products in use.

Because B&F does not currently have the budget to compete with bigger fashion houses, RM, will rely partly on her already established list of clientele which she has developed over the years. Designer RM has forged long term relationships which will be key in the success of B&F. RM already has several key clients with whom she regularly works.

In addition, B&F already has an active presence on social media including Facebook, Twitter and Instagram.

This presence has and will enable B&F to attract clients both locally and beyond. Designer RM not only frequently keeps her followers abreast on latest developments pertaining to B&F, but also engages in fashion related discussions that have been very popular on the social media platforms the brand is on. Pictures and video are frequently posted on social media including Facebook and Instagram and so far the response has been overwhelmingly positive. Through this the brand has been able to attract many potential clients.

Loyalty is hard to win. The fashion customer is very fickle. To overcome this, we will not compromise any part of our business. We will remain consistent and true to our vision and our mission. B&F will avoid excessive advertising that may lower the perception of our brand. B&F will thoroughly cater to the needs and wants of our current client base to build trust with our clientele. We believe that word of mouth and inspiring imagination are the purest way to build the reputation of a fashion house.

Additionally B&F has dedicated a portion of all the profits to be distributed to various charities throughout the world. B&F strongly believes in giving back to the less fortunate. Clients have the comfort of knowing that not only are they buying high quality designs, but are also giving back to the communities around them. Overall loyalty is developed by fulfilling the needs and wants of our client base. Through our design quality, exceptional customer service and dedication to the communities around us, the brand is confident that it will be able to win the long-term loyalty of its clients.

2. COMPANY SUMMARY

Beatrice and Francis is a fashion design house founded in 2011. The company started as a home-based business. It is located in Central Los Angeles in the vicinity of the Los Angeles fashion district and in close proximity to a large segment of B&F's current market. B&F is a women's label, offering high-end quality designed clothing at affordable prices. Each garment is constructed with the finest attention to detail. B&F can customize our garments to fit the needs of our clientele. See Figure 4.

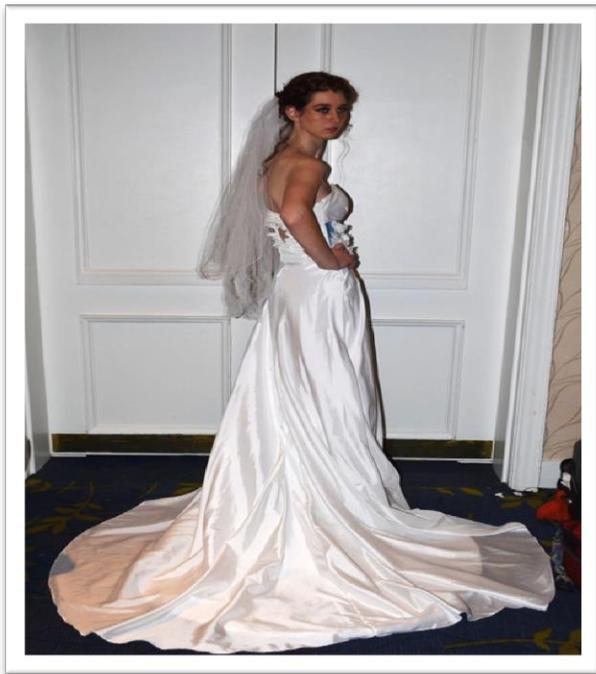


Figure 4 : Customized Silk Wedding Gown

This business plan will focus on launching a web-based B&F shop, beatriceandfrancis.com. The website will offer full access to B&F's latest offerings 24-hours a day.

2.1. Ownership

B&F is fully owned and managed by Rosemary Mlekwa (RM). As currently set up, RM also serves as the head designer and will initially handle all managerial and administrative duties.

2.2. Startup Costs

This Business Plan seeks to plan the investment \$ 52,000 in start-up capital from the owner's savings from previous B&F work and other freelancing work. A portion of this investment will be used to complete a collection of 12 styles in three sizes (S, M, L) with 5 units per size. This collection will cost \$38,444.50 to complete.

Since B&F's inception in 2011,\$ 9,850 has been spent on the registration of the business, purchase of the online domain name, and registration of the B&F trademark. Costs also included the initial development and set up of the website. B&F also acquired stationery, promotional items, design tools, and equipment to enable the development of the company. A startup fund summary is available in *Appendix A*.

2.3. Accomplishments To Date

Beatrice and Francis completed a 2-week fact finding and Supplier sourcing trip to Bangalore, India, in 2013. During this trip, B&F was able to source fabrics, and to forge and strengthen relationships with reliable suppliers of eco-friendly fabrics. B&F is passionate about creating fashionable clothing with low environmental impact and our vendors play a key role in this. The close relationships will ensure high quality output, shorten production time, prevent a shortage in fabrics, and reduced costs compared to sourcing the fabrics through suppliers based in Los Angeles, CA.

Our business registration number is DBA 27-3579448. Our on-line domain name is [www.beatrice andfrancis.com](http://www.beatriceandfrancis.com).

3. PRODUCT DESCRIPTION

B&F designs aim to provide the wearer with a unique and individualistic flair. The design offers stylish and sustainable apparel. Each piece is made of eco-friendly fabrics.

RM's designs are influenced by her unique femininity and her east African cultural heritage, nature, and romance. B&F offers looks based on simplicity, individuality, and femininity. B&F designs are made of luxury fabrics trimmed with intricate hand stitching and accents to add individuality and personality to each piece.

3.1. What Beatrice And Francis Sells And Pricing

B&F will offer high quality ready-to-wear products at reasonable prices. It designs and sells garments that you may see on Hollywood celebrities, but at prices that are reasonable and affordable. Samples of some of the dresses are provided in figures 1 through 3 above. A detailed description of each of the products and pricing and cost are available in *Appendix B*.

3.2. The Seven Pillars Of Beatrice And Francis Designs

The seven key themes provide the foundation for B&F designs. These are described as pillars and are illustrated in Figure 7 below.



Figure 5 : Beatrice And Francis Seven Pillars

1. **High Quality** – Every garment produced by B&F is produced from the highest quality fabrics available using the highest quality craftsmanship. Garments made from eco-friendly fabrics.

2. **Affordability** – While utmost care is taken in sourcing the highest quality fabrics, clients of B&F will not have to part with thousands of dollars that these dresses and gowns typically cost. The B&F customer will be able to dress look and feel like their favorite celebrity at a fraction of the typical cost. Important to note is that quality will not be compromised. B&F uses the same quality fabrics as top gown designers and each gown and dress is made using top-notch workmanship.

3. Local Production – B&F designs are produced in the USA of imported fabric.

4. International Inspiration and Appeal – All B&F designs are personally handcrafted and illustrated by RM, All creations are original creations drawn from RM's vast experience as a fashion designer. All RM designs reflect an International inspiration emanating from RMs transcontinental heritage. RM enjoys expressing herself through clothing with effortless spontaneity but is very selective. Each piece clearly expresses her unique femininity, merged with cultural influences and influenced by nature and romance.

5. Philanthropy – A significant aspect of the B&F brand. Designer RM is committed to giving back to underprivileged communities throughout the world. A percentage of the proceeds from the sales of several items will be donated to sustainable projects that will benefit underserved communities. B&F consumers will be allowed to participate in these empowerment projects and will have a say.

6. Interactive Website – A highly interactive website for the B&F customer will enable her to closely interact with the designer RM. Consumers of the B&F will be able to create personalized profiles and provide their input into the design of various products. As it grows, B&F seeks to provide customized clothing solutions for its clients.

7. Trendy and Modern - B&F offers a new look based on simplicity, individuality and femininity. B&F embellishes luxury fabrics with intricate details such as hand stitching and homemade accents to add individuality and personality to each piece.

3.3. Sourcing And Fulfillment

In each garment, B&F only uses the finest quality imported fabrics from carefully selected sources. In addition, all the design and construction is done in the USA.

B&F has identified suppliers to exclusively supply fabrics and accessories that will be used in label's garments (The suppliers provided are certified as premier fabric

suppliers. Verification of quality through testing of each of their fabric offerings has been conducted by Intertek Testing, India. Future testing of fabrics will also be conducted by Intertek. Our industry partners are listed in *Appendix C*.

4. MARKET ANALYSIS SUMMARY

4.1. Target Market And Positioning

The B&F customer is a youthful American, Tanzanian, Tanzanian-American and anyone in the world who is hip, upwardly mobile and who keeps up with the latest fashion trends. B & F positions itself as a luxury design for a niche market. B&F is willing to take fashion risks to cross fashion's boundaries by mixing different textures, colors, fabrics and designs.

The profile of the target customer is female between the ages of 27 and 59, with an education level of a college degree and an income of \$60,000 and up. B&F customers' hobbies and interests include health consciousness, interest in physical health, and world travel. They are willing to go to new places and willing to try new things. The target customer's favorite designers may include Rebecca Taylor, Philip Lim, Alice Olivia, Catherine Maledrino, Marchesa, Monique Lhuillier, Vera Wang, Naeem Khan, Clover Canyon and Robert Rodriguez to name a few. Their favorite stores include Neiman Marcus, Saks Fifth Avenue and Barneys New York.

The B&F line will offer customers a variety of colors and fabrics to fit with their lifestyle. The designs will allow the wearer to stand out and challenge traditional fashion. B&F's quality designs will enable the wearer to go through their activities with maximum comfort and minimum stress.

4.2. Future Products

In 2015 B&F will have a collection of eveningwear using eco-friendly fabrics and a day-to-night collection using Ankara fabric. Some of the Ankara designs will be fully lined with 100% silk.

What is Ankara fabric: African print fabric known as Ankara, has gained popularity in the global fashion scene since 2010 (See Figures 8 and 9 for B&F garments created from Ankara fabric). The material is primarily associated with Africa mainly because of the tribal-like patterns and motif. Ankara was formerly known as Dutch wax print. The cloth was originally manufactured by the Dutch for the Indonesian textile market. However, either by mistake or design, these prints garnered significantly more interest in Africa than in Indonesia. The Ankara African print was thus born (Atuluku, 2013).

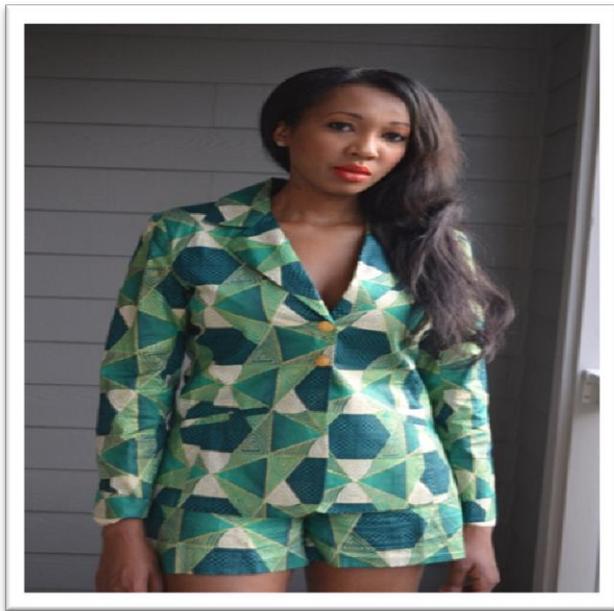


Figure 6 : B&F Design Made Of Ankara Fabric

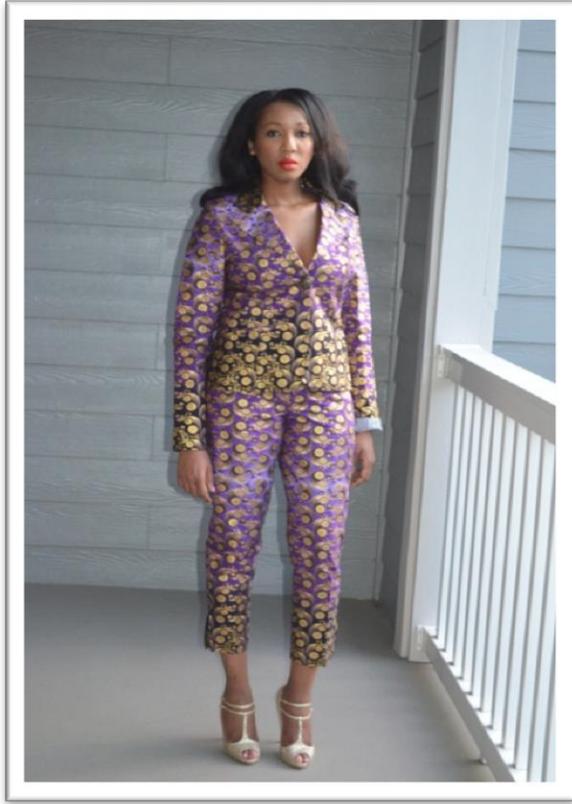


Figure 7 : B&F Design Made Of Ankara Fabric

As sales increase, plans are in place to expand the product offering to shoes and accessories including jewelry and belts. In addition, there are plans to develop an additional product line under a different name specifically for a nationwide retailer. Client feedback and input from the B&F customer will be considered when deciding on future product expansion. This information will be gathered and analyzed once profiles have been established on beatriceandfrancis.com.

4.3. Current Goal

Initially, distribution of B&F designs will be carried out through an interactive online boutique beatriceandfrancis.com, which will allow the designer to showcase her

work. Consumers will be able to view and purchase the different articles of clothing available each season.

4.4. Customer Needs / Customer Wants

B&F customers will be offered a variety of colors and fabrics so their clothing fits with their lifestyles. The intricate designs will allow the wearer to stand out, challenging mass-market fashion offerings.

4.5. Market Trends

The women's clothing market will always have high demand. By 2018 the market for women's clothing is expected to reach \$1.2 trillion. This growth is largely driving by increasing disposable incomes and fashion awareness. In addition, there is a growing demand for stylish and modern clothing. Women today are increasingly looking for distinctive styles, patterns and fabrics which Beatrice and Francis is keenly aware of. (Global Industry Analysts, 2013). B&F will offer customers fashions that are on-trend and up-to-date with the seasons. B&F's on-line business will take advantage of growth in this section of retailing.

4.6. Market Growth

The company will start online. It will build relationships with clients through social networking and other online promotions that to get people talking about the company.

4.7. Industry Analysis / Review Of Industry Conditions

Women's fashion changes quickly and is constantly shifting. Inventory will need to turn over in at least four to six months, if not faster to keep up with trends. B&F will keep up with trends and be careful about pricing in order to maintain profitability.

The fashion industry is always changing. In order to be a player in this market, it is important to keep a balanced inventory. It's important not to overstock nor to under stock clothing. Success requires an impressive knowledge of fashion and attention to the numbers. A great attitude and excellent social skills will also help a person go far in this business.

This growing industry includes established firms that control a large market share. It has room for people who have captured the zeitgeist by their offerings. Some people trying to make it in fashion fall short on capital. If a person has good business sense and capital to back them up, then there is opportunity to go far.

4.8. Strengths, Weaknesses, Opportunities And Threats

A SWOT analysis has been carried out to identify key challenges and propellers of B&F. It is undeniable that while there are numerous opportunities in the fashion industry to cater to clients' needs, there are also challenges and threats that B&F anticipates that it will face. A summary of the SWOT analysis is provided below.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> a. We create whimsical romantic designs that inspire the imagination. b. We offer luxury designs for affordable prices. c. We offer cutting edge designs. 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> a. We are brand new in the market b. We are small, and with limited resources. c. Small with limited staff
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> a. We are small, which makes us maneuverable and allows us to make changes quickly. b. We are web-based and can save on overhead expenses. c. Our ideas are young and fresh. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> a. Still learning industry requirements b. Competitors are more seasoned in the industry c. This is an insider's industry. We are still new in the industry.

Figure 8 : Beatrice And Francis SWOT Analysis

5. BEATRICE AND FRANCIS.COM

B&F will reach customers through an interactive online boutique www.beatriceandfrancis.com. Management at the company has some experience with search engine optimization. In order to attract a high number of customers to our website, pay-per-click advertising through Facebook will be used. The social networking site has the ability to target our market, so we will be getting direct marketing at a minimal cost.

On-line customers make their decision to buy based on ease of purchase, desire to view the entire line, and to zoom in on one item to see details. Ease in navigating the website is most important. The more complicated it is for visitors move through the site and to purchase an item, the less likely they will be to make a purchase (Child, 2006). A “buy” button will be included on the home page of the website and each page of the site. Visitors will have a chance to scroll through all the clothes, and to see each item on a live model. A zoom button will allow them to see detail on the garment. Each garment will include a description of the garment.

Our customers are technology savvy, as many of them are digital natives. Our clientele will receive information about our products in their email once they are on our database and are members of our social networking sites.

B&F understands that there is a wide variety of ways to reach customers. B&F will target clients through social networking sites. Our website will read like a fashion magazine. People can subscribe for free to receive updates about our fashion products. B&F’s goal is to include customers in conversations about our designs in a direct and interactive manner.

B&F will be able to analyze information about visitors to its website as well as its customers to see what avenues of social media are most successful in bringing customers to

our site. B&F will communicate with its clients on a regular basis to keep them in touch with fashion trends. This will keep B&F designs at the top of people's minds by sharing our expertise in fashion. We want to build their trust us by offering up-to-date looks featuring the best quality possible.

6. MARKETING STRATEGY

Beatrice and Francis is aware that its success in reaching its target market will largely be dependent on its ability to utilize the web as a marketing avenue. Everything from movies to TV to music is being purchased online. B&F will have an extremely strong presence on the web.

6.1. Integrated Marketing Communications: Online Strategy

Beatrice and Francis seek to develop a community of fashion conscious women who express themselves through their clothing. Individuals will be able to create accounts on the website, www.beatriceandfrancis.com and input their profiles.

Initially B&F will exclusively rely on interpersonal social networking avenues to market the product. B&F aims to position itself as the fashion choice of modern, independent, and edgy woman, who is in control of her destiny. B&F places a high value on the uniqueness of our customers. It strives as much as possible to personally engage potential customers in our networks.

RM places a strong emphasis on the ability to interact directly with the customer via social networking sites including Facebook, MySpace, Instagram, YouTube, Flickr, Twitter, Pinterest, Word Press, LinkedIn, and Vine. Participants will be able to join the B&F networks and interact with the designer. These methods are cost effective, yet highly interactive and interpersonal.

To further, market the brand, a weekly blog featuring different aspects of current and future designs, showing who is wearing B&F, and listing upcoming B&F events, as well as other fashion news and advice will be offered by RM. This will enable consumers to follow the brand as it grows in popularity.

6.2. Positioning Statements

B&F promises that its products will always be trendy. Designer RM ability and expertise will be the guiding force. RM has a bachelor's degree in fashion design and has worked her way from assistant designer to fashion house designer and owner. She also has served as a graphic artist, creating her own print designs. RM creates each of her prints from scratch using Adobe Illustrator and Photoshop in which she has advanced proficiency. She plans to team with craftsmen in India to produce these textiles. (see Figures 9 through 10).

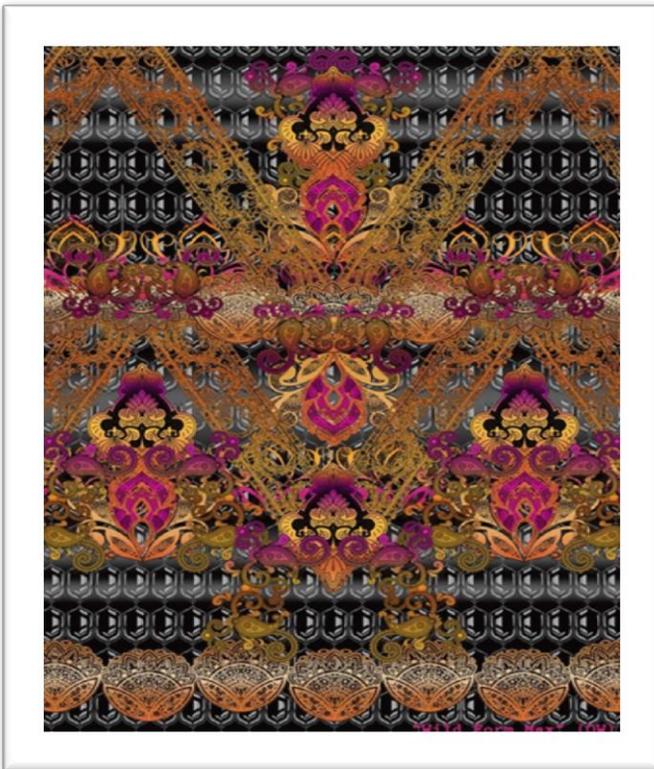


Figure 9 : Design Sample Created Using Illustrator, Repeat Of Original Print Design



Figure 10 : Design Sample Created Using Illustrator, Actual Garment View

6.3. Pricing Strategy

Our prices will reflect the quality of the design and materials within them (see Appendix B). Pricing will be done at 100% profit margin based on the cost to produce each garment. Garments will thus be sold at double the cost of production per garment. This pricing strategy takes into account the entire cost of goods sold both fixed and variable which includes the cost of the samples for each garment and will allow the company to cover operating expenses and overhead costs.

6.4. Distribution Patterns/Shipping/Return Policy

Clothing purchasers are accustomed to making their purchase at brick and mortar stores, but in the current business environment, this is changing to on-line purchasing.

Once a product is posted on the website, we will offer fast delivering 2 to 7 days for shipment within the continental USA. Garments will be placed in a B&F garment bag and packed in a larger B&F shipping box.

Our shipping charge breakdown will follow the UPS pricing structure. Package arrives within 3-6 business days. \$15.00. Shipments to Alaska, Hawaii, US Territories and APO/FPO addresses take additional time. Packages arrive within 2-3 business days, provided order is placed before 4 PM (ET). \$25.00. Shipping is not available for items shipping to PO Boxes, U.S. Territories and APO/FPO addresses. Packages arrive within 1 business day, provided order is placed before 4 PM (ET). For each address with at least one Next Business Day item, add \$35.00 to the Standard Delivery Charge. Not available for items shipping to PO Boxes, U.S. Territories and APO/FPO addresses.

At B& F, it is our intention that our clients are fully satisfied with their purchases. If for any reason our clients are not completely satisfied, they may exchange, replace or credit their purchase as long as garments are returned in saleable condition. Simply follow the guidelines below. Merchandise will be credited based on the current selling price.

Merchandise may also be exchanged. Returns will not be accepted after 15 days.

For returns by mail,

1. Enclose the completed return form with the shipment.
2. For future reference, retain the top portion of the Shipping Summary packing list.
3. Affix the pre-paid UPS Return Label to the outside of the package and send via UPS (we provide insurance).
4. If Client chooses to ship the return via a different carrier, please insure the package.

6.5. Sales Strategy

We will sell people on our company and our quality products. Once people begin to trust B&F to connect them with products that suit their needs, its customers will keep coming back time after time.

6.6. Sales Forecast

B&F anticipates first year sales to be \$120,000. Its plan is to increase sales by 35 percent in each year after. An anticipated profit of 25 percent year-over-year for the first five years is expected. Beyond five years, we hope to continue that trend. As volume and revenue increase, B&F will be able to expand further.

6.7. Sales Programs

B&F intends to keep a database of all our customers to send them posts of fashion trends and promotions that we will have. A customer incentive program will give a discount of 20% off the next purchase after a customer spends \$3,000.

6.8. Website Marketing Strategy

Our website will feature B&F fashion experts and will link with other networking sites. Designer RM is currently actively engaged on all the major social media platforms. An avid and experienced user, RM has established an online presence already both individually as a designer and as head designer of Beatrice and Francis. Updates to the different social media sites will be carried out by RM. She currently makes updates to her different accounts several times a day and will keep doing it herself as she feels that

maintaining direct contact with her clients and followers is key to being able to cater to their wants and also enhances loyalty. However B&F recognizes that as business picks up, this may be a challenge and there may be a need to hire talent to manage the social media presence. This decision will be made later.

6.9. Development Requirements

A website developer will be hired to get our site up and running and to ensure the best search engine optimization. B&F will set up the social networking sites and contribute a steady stream of commentary to our potential customers. The web designer must ensure the perfect the look and functioning of our website. Photos will need to be taken of all our products on live models.

7. MANAGEMENT TEAM

Beatrice and Francis' founder, Rosemary Mlekwa, is currently the company's only employee/manager. As the company expands, more people will be hired. The manager's responsibilities include:

- Complying with regulations and any related codes.
- Making decisions in general.
- Evaluating the key product decisions.
- Ensuring proper financing.

7.1. Management Team Gaps

Assistance is needed to guide the startup of the business. This includes business licensing and accounting detail. The services of an accountant are needed to assist with successful implementation of the start-up plan.

7.2. Personnel Plan

As the business grows, we will contract with designers, an attorney, estimators, and customer service representatives. We will look for people with needed specialized skills as well as interpersonal skills as our company grows.

7.3. Costs

7.3.1. Web Designer: \$ 50 per hour

The web designer needs to be skilled in graphic design as well as web design to make the site attractive, easy to navigate, and easy to update. The web designer will work closely with RM to make the website fit with her vision.

7.3.2. Model: \$ 25 per hour

Fashion models require good walking posture, a strong sense of style, great facial projection, knowledge of makeup application, and above all, a solid work ethic.

The model selected will become the face of B&F in all our campaigns and will feature prominently in our look books and in ad campaigns. A flexible work schedule, reliability, and capability in taking direction well are key for this role.

7.3.3. Photographer: \$35 per hour

Fashion photographers will work closely with the model and the fashion designer to conceptualize and shoot photos that showcase the fashions of B&F. Our photographer will play a key role in capturing our merchandise for our website.

7.4. Team Background

Initially the B&F will begin with one employee: Rosemary Mlekwa. Part time consultants will be hired as needed. Legal, accounting and other functions will be outsourced. RM has a bachelor's degree in fashion design from the Art Institute of California and is working on a master's degree in merchandising through North Dakota State University. She has operated her home-based business for more than a year. Her clients are excited about the growth and availability of the products through the B&F website.

7.4.1. Accountant

Accounting will be handled by Mr. Phillip Kagumba. Mr. Kagumba has a master's degree in business administration and accounting and four years' experience with the firm Gamble and Associates.

7.4.2. Attorney

B&F's attorney is Mr. Uoro, who is contracted on an as needed basis.

7.4.3. Bank

B&F banks with Chase Bank. A revolving business account has been set up.

7.4.4. Insurance agent

An insurance agent for the overall business needs hasn't been chosen. One won't be needed until the location of the store is found and the merchandise has been purchased and brought to the store. Currently several quotes for inventory and fabric insurance have been sought. The most cost effective company that provides the minimum required insurance is Allstate Insurance. An agent has been identified and B&F will work with them to address insurance needs.

7.4.5. Consultants

Several advisors have assisted this project. They include professionals who have been involved in the fashion industry in LA for several years.

8. KEY FINANCIAL INDICATORS

The financial indicator of success for B&F is revenue growth. Significant profits aren't expected for the first years. An increase of 35 per cent from the first year of the on-line business will provide the basis for the company to keep moving forward. An increase of 10 percent of the startup capital of \$52,000 would be acceptable for the first year.

8.1. Projected Cash Flow

The cash flow is expected to be at around \$64,000 after the first year. Variables will include customers who will have credit with the store, accounts receivables, and markdowns.

8.2. Projected Balance Sheet

The current assets are in the form of cash of \$ 52,000, accounts receivable at \$7,000, inventory at \$4,000. At the time of start-up, \$38,440.50 in inventory will occur. Inventory will be rolled out in phases. Three designs will be rolled out every two weeks.

8.3. Business Ratios

The sales growth is estimated at 35 per cent per year. Accounts receivable is estimate to increase by about 400 per cent from what was being collected on receivables from the online portion of the business. The estimated increase to the inventory is about 800 per cent from what was part of the home-based business.

8.4. Potential Financial Setbacks

There are considerable potential financial setbacks to consider in this plan. But the hardest part will be the first year. As the brand becomes more recognized by the public, there will be an increasing number of people wanting to buy the clothing and merchandise. It is unknown what will happen during the first year, but if the company can make a profit, then there is a good indication that rapid growth will follow.

9. REFERENCES

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APPENDIX A : BEATRICE AND FRANCIS STARTUP SUMMARY

Start Up Expenses to Fund	\$ 9,850.00
Total Assets to Fund	\$ 38,444.50
Total Investment Capital Required	\$ 48,294.50
Assets	
Non Cash Assets	\$ 38,444.50
Cash	\$ 1,706.00
Total Assets	\$ 40,150.50
Liabilities and Capital	
Current Borrowing	
Accounts Payable	
Other Liabilities	
Total Liabilities	\$ -
Capital	
Capital from Owner	\$ 50,000.00
Total Investment	\$ 50,000.00
Loss at Start (Start Up Expenses)	\$ (9,850.00)
Total Capital	\$ 40,150.00
Total Liabilities and Capital	\$ 40,150.00
Total Start Up Funding	\$ 50,000.00
Start-up Expenses	
Collection Release Event / Designer Showcase Fees	\$ 1,200.00
Telephone & Utilities (3 months)	\$ 500.00
Shipping Supplies	\$ 500.00
Website Design	\$ 2,400.00
Business/ Office Supplies	\$ 1,000.00
Subscriptions	\$ 150.00
Retailor Engagement/ Sample	\$ 600.00
Other	\$ 500.00
Misc Wages (Model, Photographer, Consultants - Part Time)	\$ 3,000.00
Total Start-up Expenses	\$ 9,850.00
Start-up Assets	
Cash Required	\$ -
Start Up Inventory	\$ 38,444.50
Total Assets	\$ 38,444.50
Total Requirements	\$ 48,294.50

APPENDIX B : PRODUCT PRICING DETAIL

Garment No	Name	Price	Volume Produced	Item Revenue	Cost to Produce per Item	Total Item Cost	Profit Margin per dress	Total Profit
501001	Malaika Cocktail	\$ 260.00	15	\$ 3,900.00	\$ 130.00	\$ 1,950.00	\$ 130.00	\$ 1,950.00
501002	Malaika Gown	\$ 400.00	15	\$ 6,000.00	\$ 200.00	\$ 3,000.00	\$ 200.00	\$ 3,000.00
501003	Orange Heart	\$ 675.00	15	\$ 10,125.00	\$ 337.50	\$ 5,062.50	\$ 337.50	\$ 5,062.50
501004	Red Cow Neck Backdrop And Lace	\$ 275.00	15	\$ 4,125.00	\$ 137.50	\$ 2,062.50	\$ 137.50	\$ 2,062.50
501005	Mesh Gown- Beaded	\$ 274.00	15	\$ 4,110.00	\$ 137.00	\$ 2,055.00	\$ 137.00	\$ 2,055.00
501006	Red Chemuse Brooch	\$ 274.00	15	\$ 4,110.00	\$ 137.00	\$ 2,055.00	\$ 137.00	\$ 2,055.00
501007	Black Quilted Chemuse and Chiffon	\$ 274.00	15	\$ 4,110.00	\$ 137.00	\$ 2,055.00	\$ 137.00	\$ 2,055.00
501008	Top and Pants	\$ 275.00	15	\$ 4,125.00	\$ 137.50	\$ 2,062.50	\$ 137.50	\$ 2,062.50
501009	Swarovski Crystals Gown	\$ 200.00	15	\$ 3,000.00	\$ 100.00	\$ 1,500.00	\$ 100.00	\$ 1,500.00
501010	Silk Crepe Plain Gown	\$ 456.00	15	\$ 6,840.00	\$ 228.00	\$ 3,420.00	\$ 228.00	\$ 3,420.00
501011	Hand Silk Big Bow Back Special Occasion Gown	\$ 674.00	15	\$ 10,110.00	\$ 337.00	\$ 5,055.00	\$ 337.00	\$ 5,055.00
501012	Cap Sleeves Quilted Chemuse Chiffon Chrinkle Glass	\$ 275.00	15	\$ 4,125.00	\$ 137.50	\$ 2,062.50	\$ 137.50	\$ 2,062.50
	Cost of Samples		12			\$ 6,104.50		\$ (6,104.50)
Totals			192	\$ 64,680.00		\$38,444.50		\$ 26,235.50

501001 - Malaika Cocktail	Yards	Labor Hours	Cost	Labor Cost	Total Cost
Embroidery Silk Organza w/ Gold dye	2		\$50.00		\$ 100.00
Plain Silk Organza	1		\$17.00		\$ 17.00
Silk Lining	3		\$12.00		\$ 36.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 155.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 342.50
At Production - Total Cost to Produce 15 pieces				\$ 130.00	\$ 1,950.00

501002 - Malaika Gown	Yards	Labor Hours	Cost	Labor cost	Total
Embroidery Silk Organza w/ Gold dye	4		\$50.00		\$ 200.00
Plain Silk Organza	1		\$17.00		\$ 17.00
Silk Lining	4		\$12.00		\$ 48.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1.5		\$ 25.00	\$ 37.50
Marking		1		\$ 25.00	\$ 25.00
Cutting		1		\$ 25.00	\$ 25.00
Sewing		5		\$ 25.00	\$ 125.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 267.00
Total Labor - Sample					\$ 250.00
Total Costs - Sample					\$ 517.00
At Production - Total Cost to Produce 15 pieces				\$ 200.00	\$ 3,000.00

501003- Orange Heart	Yards	Labor Hours	Cost	Labor cost	Total
Silk Crinkle	9		\$25.00		\$ 225.00
Silk Lining	9		\$12.00		\$ 108.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		3		\$ 25.00	\$ 75.00
Pattern Making		1.5		\$ 25.00	\$ 37.50
Marking		1.5		\$ 25.00	\$ 37.50
Cutting		1		\$ 25.00	\$ 25.00
Sewing		8		\$ 25.00	\$ 200.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 335.00
Total Labor - Sample					\$ 387.50
Total Costs - Sample					\$ 722.50
At Production - Total Cost to Produce 15 pieces				\$ 337.50	\$ 5,062.50

501004 - Red Cow Neck Backdrop And Lace	Yards	Labor Hours	Cost	Labor cost	Total
Silk Chemuse heart back	6		\$20.00		\$ 120.00
Silk Lace	1		\$40.00		\$ 40.00
Silk Ling	6		\$12.00		\$ 72.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 234.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 421.50
At Production - Total Cost to Produce 15 pieces				\$ 137.50	\$ 2,062.50

501005 - Mesh Gown - Beaded	Yards	Labor Hours	Cost	Labor cost	Total
Silk Mesh	6		\$30.00		\$ 180.00
Hand Beaded Detail	5		\$50.00		\$ 250.00
Silk Lining	6		\$12.00		\$ 72.00
22' Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 504.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 691.50
At Production - Total Cost to Produce 15 pieces				\$ 137.00	\$ 2,055.00

501006 - Red Chemuse with Brooch	Yards	Labor Hours	Cost	Labor cost	Total
Silk Chemuse heart back	6		\$20.00		\$ 120.00
Swarovski crystal brooch	1		\$35.00		\$ 35.00
Silk Ling	6		\$12.00		\$ 72.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 229.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 416.50
At Production - Total Cost to Produce 15 pieces				\$ 137.00	\$ 2,055.00

501007- Black Quilted Chemuse and Chiffon	Yards	Labor Hours	Cost	Labor cost	Total
black silk chemuse	5		\$20.00		\$ 100.00
Black silk chiffon	4		\$20.00		\$ 80.00
Silk Ling	6		\$12.00		\$ 72.00
22" Zipper	1		\$2.00		\$ 2.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 254.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 441.50
At Production - Total Cost to Produce 15 pieces				\$ 137.00	\$ 2,055.00

501008 - Top and Pants	Yards	Labor Hours	Cost	Labor cost	Total
Silk Crepe	4		\$20.00		\$ 80.00
Silk Lining	4		\$12.00		\$ 48.00
Buttons	4		\$2.00		\$ 8.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 136.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 323.50
At Production - Total Cost to Produce 15 pieces				\$ 137.50	\$ 2,062.50

501009 - Swarovski Crystals Gown	Yards	Labor Hours	Cost	Labor cost	Total
Fine Embr. Silk Crepe w/ Swarovski dtl	6		\$60.00		\$ 360.00
Plain Silk Organza	1		\$17.00		\$ 17.00
Silk Lining	6		\$12.00		\$ 72.00
22' Zipper	1		\$2.00		\$ 2.00
Swarovski Buttons	1		\$50.00		\$ 50.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		2		\$ 25.00	\$ 50.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 501.00
Total Labor - Sample					\$ 137.50
Total Costs - Sample					\$ 638.50
At Production - Total Cost to Produce 15 pieces				\$ 100.00	\$ 1,500.00

501010 - Silk Crepe Plain Gown	Yards	Labor Hours	Cost	Labor cost	Total
Silk Crepe	8		\$20.00		\$ 160.00
Silk Ling	8		\$12.00		\$ 96.00
22" Zipper	1		\$22.00		\$ 22.00
					\$ -
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		8		\$ 25.00	\$ 200.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 278.00
Total Labor - Sample					\$ 287.50
Total Costs - Sample					\$ 565.50
At Production - Total Cost to Produce 15 pieces				\$ 228.00	\$ 3,420.00

501011 - Hand Silk Big Bow Back Special Occasion Gown	Yards	Labor Hours	Cost	Labor cost	Total
Hand Silk	12		\$35.00		\$ 420.00
Silk Lining	12		\$17.00		\$ 204.00
Zipper	1		\$2.00		\$ 2.00
Draping		3		\$ 25.00	\$ 75.00
Pattern Making		2		\$ 25.00	\$ 50.00
Marking		1		\$ 25.00	\$ 25.00
Cutting		1		\$ 25.00	\$ 25.00
Sewing		8		\$ 25.00	\$ 200.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 626.00
Total Labor - Sample					\$ 387.50
Total Costs - Sample					\$ 1,013.50
At Production - Total Cost to Produce 15 pieces				\$ 337.00	\$ 5,055.00

501012 - Cap Sleeves Black Quilted Chemise Chiffon Crinkle Glass	Yards	Labor Hours	Cost	Labor cost	Total
black silk chemise	5		\$20.00		\$ 100.00
Black silk chiffon	4		\$20.00		\$ 80.00
Silk Ling	6		\$12.00		\$ 72.00
22" Zipper	1		\$2.00		\$ 2.00
3 shell ruffle silk crinkle	3		\$22.00		\$ 66.00
silk chiffon W glass	1		\$35.00		\$ 35.00
Draping		1		\$ 25.00	\$ 25.00
Pattern Making		1		\$ 25.00	\$ 25.00
Marking		0.5		\$ 25.00	\$ 12.50
Cutting		0.5		\$ 25.00	\$ 12.50
Sewing		4		\$ 25.00	\$ 100.00
Pressing		0.5		\$ 25.00	\$ 12.50
Total Material Costs - Sample					\$ 355.00
Total Labor - Sample					\$ 187.50
Total Costs - Sample					\$ 542.50
At Production - Total Cost to Produce 15 pieces				\$ 137.50	\$ 2,062.50

APPENDIX C: SUPPLIERS

FACTORY

Sri Bhairava

#14/1, Devanga Hostel Main Road

Bangalore- 560 027

PH# 4149 5261

Arpitadeepam

#193-197, Chicpet Main Rd

Bangalore, India 560053

SEWING CONTRACTORS

SiroYa

Private Label Sewing Contractor

939 S. Broadway #806

Los Angeles, CA 90015

Phone (213) 622-1222

Cell (310) 999-9454

Sal Alexander

112 w 9thst #620

Los Angeles, CA 90015

(818) 736-1066

3.3.3. Grading, Pattern and Cutting

F.W.P Inc.

1031 S . Broadway #723

Los Angeles, CA 90015

PH. (213) 748 3117