**THE PRODUCT**

The product in question is shoes. The shoe industry is a large growing market, with sales of shoes in Nigeria expected to reach $380 million by 2025. There is strong demand for a variety of shoe types, including athletic, casual, and dress shoes, as they are a necessary item for most individuals. The shoes will be in various sizes, styles and colors to appeal to a wide range of customers.

**MARKET ANALYSIS**

The shoe market is dominated by large, well-established brands, but there is also a significant market for smaller, independent retailers. The market is segregated by age, gender, and shoe type and it is important to identify the target specific segments to be successful. For example, the target market for the shoes will be both men and women between the age of 18 and 35. This age range is typically the largest group of shoe buyers, younger consumers be more interested in trend, fashionable shoes, while older consumers may prioritize comfort and support. The rise of athleisure wear has also contributed to the growth of the shoe market.

There is a fierce competition in the shoe market, both from large brands and smaller, independent retailers. It is important to conduct thorough market research and identify competitors in order to understand their strength and weaknesses and to differentiate oneself from them. This could include offering a unique product selection, competitive pricing, or exceptional customer service.

There are several key players in the shoe market, including Nike, Adidas, Under Armour etc. These brands have a strong presence in the market and have established brand loyalty among consumers. However, there is still room for new entrants in the market, especially for those who can offer a unique product or target a specific niche.

**THE MANAGEMENT TEAM**

The management team for this project will consist of individuals with experience in the retail industry, as well as those with expertise in finance, marketing, and operations. The team of these individuals will be categorized based on the following;

1. Team Composition: The management team for the retail shoe store consist of a store manager, assistant manager, and several sales associates. The store manager is responsible for overseeing the overall operations of the store, including managing budgets and coordinating with suppliers. The assistant manager is responsible for supporting the store manager in these tasks, as well as leading the sales team. The sales associates are responsible for interacting with customers, assisting with sales and inventory management, and maintaining the store’s visual presentation. The team is diverse in terms of age and experience, with the mix of younger and more experienced team members. All team members have relevant sales and customers service experience, and some have additional certifications or education in business or retail management.
2. Team Experience: The management team has a strong track record in the retail industry, with experience working in both small and large stores. The store manager and assistant manager have a combined 6 years of experience in retail management, and have successfully overseen the operations of several stores in the past. The sales associates have a range experience, with some having worked in the industry for several years and others being new to the field.
3. Team Capacity: The team has the time and resources necessary to successfully operate the shoe store. The store manager and assistant manager are able to devote the necessary amount of time to oversee the store’s operations, and the sales associates are able to work the required number of hours.

The team continues to focus on building its skills and experience in order to effectively manage the store. This might include training in areas such as customer service, sales techniques, and inventory management. Additionally, it might be beneficial for the ream to bring in additional expertise in areas where it lacks experience, such as online marketing or inventory management software.

Overall, the management team appears to be well-suited to successfully operate the shoe store.

**PRODUCTION PROCESS AND PRODUCTION PLAN**

Production Process: The production process for the retail shoe store involves sourcing and purchasing shoes from various suppliers, storing and organizing the shoes in the store’s inventory, and then selling the shoes to customers. The process begins with the store manager identifying the types of shoes the store will carry, based on customer demand and market trends. The store then places orders with suppliers and arranges for the shoes to be shipped to the store. Once the shoes arrive at the store, they are checked for quality and then added to the added to the store’s inventory. When a customer makes purchase, the sales associate retrieves the desired shoes from the inventory and processes the sale.

Production Plan: The production plan for the shoe store involves regularly placing orders with suppliers, tracking inventory levels, and restocking as needed. The store will place orders on a weekly basis, based on current inventory levels and anticipated customer demand. The store will also track inventory levels using a computerized system, which will alert the store when it is time to restock certain items.

The store has already secured a lease for a retail space and has purchased the necessary display racks. It will need to purchase a computerized inventory system, which is expected to cost around $1000. The store will also need to hire personnel to manage the store and assist with sales.

**THE MARKETING PLAN**

The marketing plan typically involves an evaluation of the viability of a proposed marketing strategy. This can include an assessment of the target market, the competition, and the resources needed to implement the marketing plan.

1. Target Market: The target market for the retail shoe store is both women and men aged 18-35 with an interest in fashion and a moderate to high disposable income. This market segment is known to be interested in trendy and stylish footwear, and is willing to pay a premium for high-quality products. The size of this market segment is significant, with approximately 1.3 million potential customers in the store’s region.
2. Marketing Strategy: The marketing strategy for the shoe store will focus on reaching the target market through a combination of online and offline channels. Online channels will include social media advertising and email marketing, while offline channels will include in-store events and partnerships with local fashion bloggers. The messaging for the store will focus on the store’s wide selection of trendy and stylish footwear, as well as its commitment to providing high-quality products and excellent customer service.
3. Competition: The competitive landscape for the shoe store includes both online and offline retailers, as well as specialty shoe stores and department stores. Many of the store’s competitors offer similar products and target market segments, but the store has a competitive advantage in terms of its focus on trendy and stylish footwear and its commitment to excellent customer service.
4. Resources Requirements: The main resources required to implement the marketing plan for the shoe store include a marketing budget, personnel to manage the marketing efforts, and marketing materials (e.g., promotional flyers, social media graphics). The store has allocated a marketing budget of $500 per month, which will be used to fund online and offline marketing efforts. The store will also hire a marketing coordinator to manage the marketing efforts, and will work with a graphic designer to create marketing materials.

The main costs involved in implementing the marketing plan for the shoe store will be the cost of online and offline advertising, as well as the cost of personnel and marketing materials. The store expects to spend approximately $1000 per month on advertising, $500 per month on marketing materials.

**MANPOWER REQUIREMENTS**

The retail shoe store will require a team of personnel to manage its operations, including a store manager, assistant manager, and several shoe associates. The store manager will be responsible for overseeing the overall operations of the store, including managing budgets and coordinating with suppliers. The assistant manager will support the store manager in these tasks, as well as lead the sales team. The sales associates will interact with customers, assist with sales and inventory management, and maintain the store’s visual presentation. The store will require a store manager and assistant store manager with relevant experience in retail management, as well as sales associates with customer service experience.

The staffing plan for the shoe store includes recruiting, hiring, and training personnel as needed. The store will use a combination of online job postings and in-person recruiting to find qualified candidates for open positions. Once hired, new employees will go through a training program to learn about the store’s products, policies, and procedures. The sore will have a hierarchical management structure, with the manager at the top and the assistant manager and sales associates below. The store will also have policies and procedures in place for managing personnel, including performance evaluation and code of conduct.

The store has allocated a budget of $5,000 per month for salaries and benefits, and has secured a retail space that includes a small office for the store manager and assistant manager. The main costs involved in hiring and managing personnel for the shoe store will be the cost of salaries and benefits, as well as any training or development costs. The store has allocated the necessary resources and budget to hire and manage a team of qualified personnel, and has a clear plan in place for recruiting, hiring, and training new employees.

**ESTIMATED CAPITAL EXPENDITURE**

The retail shoe will require a number of assets in order to operate, including a retail space, fixtures and displays, and inventory. The store will lease a retail space in a high-traffic location, with approximately 1,500 square feet of floor space and a storefront window. The store will also need to purchase fixtures and displays, including shelving, racks, and mannequins, as well as inventory in form of shoes and accessories.

The main cost involved in acquiring the assets needed for the shoe store will be the cost of leasing the retail space, purchasing fixtures and displays, and financing inventory. The store expects to pay a total of $3000 per year in rent for the retail space, $1000 upfront for fixtures and displays, and variable costs for inventory financing costs to be around 30% of sales, with an average margin of 50%. A budget of $60,000 has been allocated for leasing and purchasing assets, and necessarily obtain approvals or permits, such as a business license and a certificate of occupancy.

**CASH BUDGET**

The retail shoe store is expected to generate revenue from the sales of shoes. The store will offer a wide range of shoe styles and sizes, with prices ranging from $50 to $200. Based on market research and sales data from similar stores.

The store expects to generate monthly gross profit of $20,000. The store expects monthly operating expenses of $7,000 including rent, utilities, payroll, and inventory costs, the store will also incur payroll expenses for a store manager, assistant manager, and several sales associates. This results in a projected monthly net profit of $13,000.

**PROJECTED INCOME STATEMENT**

Cost of goods sold: The cost of goods sold (COGS) for the shoe store includes the cost of purchasing inventory, as well as any related expenses such as shipping and handling. The store expects to incur COGS of around 30% of sales, with an average margin of 50%. Based on the store's projected sales, the store expects COGS to be around $10,000 per month.

Gross profit: Gross profit is the difference between revenue and COGS. The store expects to generate gross profit of around $20,000 per month based on its projected sales and COGS.

Operating expenses: The retail shoe store will incur a number of operating expenses in order to generate revenue, including rent, utilities, payroll, and marketing costs. The store has leased a retail space at a cost of $250 per month, and expects to pay an additional $50 per month in utilities. The store will also incur payroll expenses for a store manager, assistant manager, and several sales associates, totaling $5,000 per month. The store will allocate $1,000 per month for marketing expenses, including advertising and promotions.

Net income: Net income is the difference between gross profit and operating expenses. The store expects to generate net income of around $13,000 per month based on its projected gross profit and operating expenses.

**PROJECTED BALANCE SHEET**

Assets: The retail shoe store's assets include its cash and cash equivalents, inventory, and fixed assets such as fixtures and equipment. The store expects to have $10,000 in cash and cash equivalents at the start of the year, and will maintain an average inventory balance of $30,000. The store has leased fixtures and equipment at a cost of $3,000, which will be recorded as a fixed asset.

Liabilities: The retail shoe store's liabilities include any outstanding debts and obligations, such as loans and accounts payable. The store has secured a loan of $30,000 to cover the upfront costs of leasing and purchasing assets, and will make monthly loan payments of $1,000. The store will also incur accounts payable of around $10,000 per month for outstanding supplier invoices.

Equity: Equity represents the store's ownership interest in its assets. The store's equity will be composed of the initial investment made by the owner, as well as any retained earnings. The store's owner has invested $60,000 in the business, and the store expects to generate retained earnings of around $13,000 per month based on its projected net income.

**PROFITABILITY ANALYSIS AND EVALUATION OF THE PROJECT**

Profitability analysis: The store's profitability can be evaluated by comparing its net income to its total assets and its total capital invested. The store expects to generate net income of around $13,000 per month, which represents a return on assets (ROA) of around 30%. The store expects to generate a return on capital invested (ROCI) of around 25%, based on its projected net income and total capital invested of $60,000.

Evaluation of the project: Based on the store's projected revenue, gross profit, and net income, the retail shoe store project appears to be feasible and potentially profitable. The store's financial projections indicate that it will be able to cover its operating expenses and generate a positive return on its capital invested. However, it is important to note that these projections are based on a number of assumptions and estimates, and actual results may vary. It will be important for the store to closely monitor its performance and make any necessary adjustments in order to achieve its financial goals.

**THE ALGEBRAIC EVALAUTION**

Revenue = Quantity Sold \* Price per Unit

Gross Profit = Revenue - Cost of Goods Sold (COGS)

COGS = Quantity Sold \* Cost per Unit - Gross Profit

Gross Profit = Quantity Sold \* (Price per Unit - Cost per Unit)

Net Income = Gross Profit - Operating Expenses

Return on Assets (ROA) = Net Income / Total Assets

Return on Capital Invested (ROCI) = Net Income / Total Capital Invested

Using these formulas, we can plug in the specific numbers from the feasibility report to calculate the various financial metrics. For example, if the store is expected to sell 500 units of shoes per month at an average price of $100 per unit, with an average cost per unit of $60, the gross profit would be calculated as follows:

Revenue = (500 units\* $100) = $50,000

Gross Profit = 500 units \* ($100/unit - $60/unit) = $20,000

We can then use this gross profit figure, along with the other financial projections, to calculate the store's net income, ROA, and ROCI.

COGS = (500 units\* $60) - $20,000 = $10,000

Net Income = $20,000 - $7000 = $13,000

Return on Assets (ROA) = $13,000 / $43,000 = 0.3 or 30%

Return on Capital Invested (ROCI) = $13,000 / $60,000 = 0.22 or 22%