

DESIGN YOUR CLOTHES

A PROJECT REPORT

for

LEAN START UP MANAGEMENT (MGT1022)

by

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Business Plan

Start-up name: DESIGN YOUR CLOTHES

Logo:



INDEX

I. Introduction

- Offline VS Online Clothing

II. Execution Summary

III. Product Market Description & Fit based on market survey

- Customer Segmentation
- Promotions

IV. Competitor Analysis

- Multi-year financial information

V. Marketing Plan

- Market Review
- Industry Size and Trend
- Market Segmentation
- SWOT Analysis: For Our Company
- SLEPT Analysis
- Sales Strategy
- Distribution channel

VI. Management Team and Structure

- Profile, experience, responsibilities

VII. Financial projections

- Sources of Capital
- Year Forecast Income Statement
- Assumption, Analysis and Justification

Introduction:

Our company is aimed to provide total satisfaction to our customers by fulfilling their desire. We expertise in custom designed clothes and providing accurate fitting to our customers. We provide accurate fitting with deep learning and machine learning algorithms and allow our customer to provide a picture of them or of those whom they're buying for, our algorithm reads and interprets the image and develop a 3D model of the picture, then read the model for accurate dimensions. Apart from this feature, we also provide our customers with an opportunity to sketch their thoughts and we print them on the desired clothes.

Our main target group lies between the age of 18-40 years, this covers mostly the youth and that too, from economical background. In this era of digitalization, the internet is a boon for us to provide this platform to our customers. With Internet and smart phone being accessible to everyone, our customer can design and shop at their own comfort.

With this COVID-19 pandemic, it becomes extremely difficult for people to access the stores and also for trying out a product, a fear is created in mind and the customer has second thoughts about that. This proves that online shopping is very effective in terms of global crisis.

We are a startup and our customer is our main source of funding, we initially request 50% of the product price prior to delivery because we need to design our product and we rely on our customer's initial payment, and we cannot incur any losses in the starting, and we need a confirmed order. Once the order is confirmed, we ship the product to our customer's desired location. We also provide a gift wrapping option. With all being said, we strive to provide best quality at best price, making our product the best value-for-money.

EXECUTION SUMMARY:

DESIGN YOUR CLOTHES will be a start-up of online retail men's, women's, and children's clothing. It will be majorly run through online mode. This store will also have a local custom-made market and will serve both youth and adults. Our intent is to provide the community with unique clothing they couldn't normally purchase in the state. A positive cash flow will be estimated to be produced at the end of the first year. There are no other urban wear stores located online within the state selected for this store. Hyderabad is in an urban city of approximately 1,00,40,000 people which is also a part of GHMC Hyderabad containing approximately 4,08,000 people. Ashok receives a handy scholarship (from his college) which is adequate for support with some loan. He has managerial experience and basic knowledge of accounting. He has at least 7 years of retail experience. Also we plan to ask the courier services to use their employees for delivery purpose resulting in the second aspect of our start-up which is to deliver the goods to the houses of customers in the shortest time possible. No other website online gathers deliveries within two to three hours. But we will be able to achieve this feat with cooperation of the shopkeepers. Efficient delivery will encourage the customers to buy from the same shop time and time again. Several delays in delivery system will cause the customers to lose interest in buying items from these shops.

This strength of having different colour combinations with defect free weaving had given Indian clothing products an own reputation is required to be promoted within the market. Our clothing production also helps in creating employment especially in the rural parts of India. E-Commerce has been a better option of the textile products selling and it reduces the transaction cost and no mediators are going to be present hence we are going to get better margins in this business.

The “Indian clothing” had a brand that needed to be explored and expanded with proper measures so that we can provide some high quality defect free clothing products with an environmentally and socially compatible product for consumers who are looking for quality products. The aim of ours would be encouraged to maintain the quality of the product, which will be specified.

Product Market Description & Fit based on market survey [Price(cost/value based) & Promotion]:

Customer Segmentation:

What is meant by customer segmentation?

Customer segmentation is used widely to divide the customer base into groups and sub divisions based on the marketing bases such as age, gender, spending habits and interests and economical status.

Customer segmentation procedures include:

- Deciding which data will be collected and how we are going to gathered it.
- Collecting data and integrating data from various sources available.
- We developing various methods of data analysis for usage.
- We are going to establishing effective communication business units such as customer service and marketing which are about the segmentation.
- Implementing the applications for effective dealing of the data and we are going to respond to the various information that had been provided.

We use the customer segmentation to operate so that every customer is different we use their information in a useful way and keep our marketing

efforts in a better to served specific target customers. When smaller groups consisting messages that are relevant to the consumers that would lead them to buy something form our company then it will we useful. Our company hopes to get a deeper and meaningful understanding about our customers' preferences and the idea of finding out which discovery finds to be most valuable to the company and the products to be developed and more accuracy helps in the marketing materials toward the growth of the segment. Customer segmentation mainly relies on the identification of important differentiators that are used to divide customers into various groups so they can be targeted.

We use the Information such of the customers such as

Gender-Related Segments: These clothing lines may include casual and business attire for both genders. Men's shorts would primarily be sold in the spring and summer for example. A small clothing department may also specialize in a specific gender, selling men's suits or ladies' lingerie.

Age-Related Segment: Age is one of the major distinguishing factor or demographic that helps us clothing retailers determine their buying customers. We target teenage girls with their trendy new fashion lines, including jeans and other apparel. We often promote these clothing lines in late July and August, before the school year commences.

Behavior Related Segment: Consumers' choices in products, including apparel For example the customers can purchase manufacturer's clothing line for usage. They can shop at clothing stores for better quality and the service or other factors that are very important to them. We may also appeal to the behavior-related segment with holiday-related products. Hence, we may sell the popular colors of red and green during the holiday season.

Lifestyle Segmentation: Lifestyle represents market segment in which small clothing retailers and manufacturers base their product selections. We

produce clothing for hunters or military personnel by selling camouflage and military fatigues, respectively, to meet their clients' lifestyle needs. There are these types of trends are intended to attract the youth and becomes a big plus to us.

Geographic Segments: One more determining factor is weather. People living in warmer climates wear shorts and swimwear for longer periods. Contrarily, the market for coats and jackets is greater in colder parts of the country. Clothing trends may also vary by geographic region.

Types of Customer Segments we are going to use:

Mass market: we are using this business model because it focuses on the mass markets and don't distinguish between different Customer Segments. The Value Propositions, Distribution Channels, and Customer Relationships all focus on one large group of customers with broadly similar needs and problems. This type of business model is often found in the consumer electronics sector

Product Description and Value Proposition:

Target Age: The product is primarily targeted to the age group of 18-40 years.

Expenditure: As the young people are mainly focused to the fashion and urban dressing, they are the main source to the expenditure. Roughly, a person in the age group of 18-40 years is expected to spend Rs. 2500 on our textiles and products.

Targeted People: Textile products and urban fashion clothes have always a great demand and never go out of interest. There will be a extravagant never dying hunger for the textile industries. So, every time when a new fashion item is produced, it is encouraged and goes out of stock. The primary target age group, so called youth are the ones who will be using the website for

majority and some old women who always want traditional designs would also show interest in our website as they don't have the energy to spend hours of time around malls and instead they can create their desired design using their experience. Small clothing retailers, wholesalers and manufacturers would also buy bulk stocks of textiles with a high chance of probability.

Market Segmentation: Market segmentation is process of dividing consumers into various categories based on various characteristics. The importance behind market segmentation is to helps retailers identify customers who are most likely to buy their products. Small clothing retailers, wholesalers and manufacturers primarily focus on demographics, personalities and needs when segmenting their markets.

Need of the Product:

With the alarming state of lockdown, the need of online purchases have been raising quickly in this time of period. In this pandemic times, people are also afraid to visit the stores and buy the product due to the fear of the Covid-19 virus and it is advised not to stay in crowd places. Aren't you bored of buying the same designs like checks for shirts, pencil cuts and sweatshirts, hoodies existing for years in the industries. Yes, many people are bored and they want to build out new designs and show off their innovative and creative designs. This website would be best and provides as a platform for them.

Why our company is different from others?

Throughout the years of textile industry, we have seen many improvements in the offline stores and the way companies bring textiles to the customers. All these years, companies rub their innovative designs over the customers and make them forced to get adapted to the textiles and the fashion sense. Many offline stores and online websites of conglomerate companies have also followed the same strategy. Our platform of making the product by the

customer himself and exposing his innovative skills places our company in a special place among other companies.

Price(cost/ value based):

Our company is rather a value based product because it establishes the objectives such as to promote a premium brand with stress on quality on the following: Ensure quality in designing and weaving and defect free product for safeguarding interest of the buyers. To offer our customers excellent clothing products and delivery services, at a reasonable price, and provide outstanding customer experience. Hence, we can conclude from the after mentioned points that our brand is a value based product rather than a cost value based product.

Some of the other marketing strategies are:

Promotions

- **Referral offers:**

Once, we have an initial customer base been made, we would try to pull the customer to get more members by putting them at the greed of a handsome amount of discounts. So, this would ensure that the new customer isn't completely alone to our website as he brings on his friends using referrals. By this way, even our range of market will be increased.

- **Outdoor:**

It is also important to attract the offline persons who would use electronic devices rarely to our website. In fact this is one of the key task in spreading the target and reach of our company. Having our associates to be distributing flyer and pamphlet around colleges and its companies. Not just this, we can put out our flyer in the newspaper by makeshift idea through cheaper ways this makes the wide advertisement possible.

- **Informed Customers:**

We have a proper database manager of our customer such that we keep them informed them about our promotions and offers which they cannot resist. For this to implement correctly, we hired database manager who has to store the data of previous customers and send them irresistible offers. Through this way, we would make sure that we are not losing any customers and keep on profiting from them.

- **Email Marketing:**

We are going to inform our customers through Email marketing because everybody thinks' that this type of marketing is outdated but it's wrong because we can attract our customers or leads without even spending too much money on the advertizing of the company and the product. How we are going to do this type of marketing? When any user visits our website simply we are going to ask them their email address and then we can catch out leads easily.

- **Limited edition tie-ups:**

As our start-up is all about customized clothes merchandise, we can have limited edition or limited time customizing options for a limited time period. This not only makes the regular customer base involve also it gets a new customer, as the old customers might refer to our start-up when asking about the brand. Limited editions include using the hot meme and viral social media topics which we use on our textiles. They have the freedom to design their own textile. Through this way, we beat offline stores competition as the customer can choose his desired color and design with his fingertips staying inside the home.

- **Evaluate and expand:**

Blind expansion of the start-up can lead to the slow death of the company (bankruptcy). So as we learn from our current outcome and make changes to the previous concerns like stock shortfall and delivery

delays etc. On overcoming these problems and also we have to observe the market needs of the expansion place. These play important role in making up the profits and sales for the company.

- **Sponsorship:**

We can try to sponsor any rising model that wouldn't cost much and due to their medium based popularity, they help in networking marketing strategy succeed. Some of the choices for models include Naveen Polishetty, Karthikeyan and Yami Gautam etc so that with the help of these models we can increase our brand status and we are going to sponsor our clothing products free of cost for the fashion festivals so that our band can easily marketed and more customers knows about our company and our clothing's.

- **Advertising and Promotional Strategy:**

As initially, we have been online-based retailing, once we have settled in the market and we are not afraid of going offline then we can expand further, we can start promotion on a medium scale on a small group of customers. Not just focusing on capital expenditure on promotion, we can perform social responsibility tasks, which can stand a potential chance of hitting headlines and trying to get on T.V lines like product advertising series which cheaper compared to advertisements in between the show. Based on the growth rate of the customer, we can conduct a contest in which where we invite our customers to make the best customization and win it for free, this makes the existing customers invite more people to the contest, just because of the term "FREE" being used

.

- **Bribing the customer:**

This is another type of attracting new users by giving them cash back or giving them wallet balance on registering or making first purchases of their products. So with the help of this method we can get more

customers and make sure that more people are attracted this way getting the cash back and money for their wallet.

- **Urban wear:**

Urban wear has increased in popularity as the number of new musical hip-hop artists' popularity has increased over the past several years. It is key to clearly understand the urban wear market, distribution costs and competition, and continually adjust accordingly. In order to accomplish this, we will sell products similar to local hip-hop artists, Anirudh and Sid Sriram, who has a store in Andhra Pradesh. Like his store, our line of clothing of more than 32 pieces, include denim, leather, twill and linen bottoms, linen and silk shirts, silk/cashmere sweater vests, T-shirts, and hats.

We have also decided to carry this line of clothing that is a simpler one but still gives us "a chameleon type of feeling" which can be into any type of setting either too bright or loud. This growth development is new in the urban wear area and this type of clothing can be sold at fashion shows and festivals seasons.

- **Bumper stickers:**

The Sticking up bumper stickers on the cars of the employee of our company which would have been printed with the website of our retails or our address or limited time offers which can get people to come to stores make the promotions more profitable and more number of people will also be covered in this style of campaigning and it helps us to reach more customers and we can have a wide variety of stickers to use for this marketing.

Competitor Analysis, Barrier Entry & Strategy (past & present industry status, Multi-year financial information):

Competitor Analysis: 1

Bewakoof.com is an e-commerce website with their own branding. This is one of the most widely spread online apparel store among youths. Due to their “pun-intended” T-shirts and famous classic movie liners as quotes which put’s a style statement, makes them an X-factor in the current market. It relied on quirky, funny, out-of-the-box messages on its products and boxes to connect with customers.



This company was founded on April 1st, 2012 by two IIT Bombay alumni, Prabhkirat Singh and Siddharth Munot. They worked on a business venture prior to this with a lassi café, before founding the company. Presently, **bewakoof.com** sells apparels, mobile phone covers, It claims to have over 1.5 crore transaction per month.

With a turnover of more than 10 crores within 8 years of starting, “We are self-sustainable and growing 15-20% every month”, says the co-founder Prabhkirat Singh.

Barrier entry and Strategy:4

- **Competitive Advantages:**

1. The company believes that a business cannot be a financial gain alone. They believe in new things, and try out different fashions.
2. With ownership on their design and out-of-the-box design, they believe in going ahead without stepping on other companies.
3. **Bewakoof** employee’s rural women because they want to give them a better livelihood.
4. According to the company, they believe in creating a positive impact.
5. Innovative designs, that are catchy and in the present trend among youths.
6. Follows the government policy of “Make-in-India”.

- **Competitive Disadvantages:**

1. Initially they didn't achieve success due to the high competition from other apparel brands.
2. They set their initial prices too low, which made them not-so-fashionable for the higher class of society.
3. They don't release a particular design in all sizes.
4. Initially their growth was low, which kept them out of the game, and as a result, its competitors dominated the market.

Competitor Analysis: 2

A company with heavy success, infusing all the cartoons, Hollywood movies, TV shows, sports teams, comedians, and musicians, with a wide range of kickass graphic designs with any apparels, mugs, badges, bags and making an irresistible style out of them is something that souledstore.com has expertise on.



This company was Started in June 2013, by three people, Vedang Patel, Rohin Samtaney and Aditya Sharma, all 28 years old who met each other at a boutique financial services firm, were hard-core fans of such franchises themselves. They started off with an investment of 1.75 lakhs, and today they have 5, 00,000 and get more than 1000 orders a day.

Barrier entry and Strategy:

- **Competitive Advantages:**

1. Souled store had quite an advantage in their field, with their love for web-series and movies; they help to keep the fandom alive.
2. They had a unique idea which helped them to survive in the market with almost no competition.
3. Their target audience fall in the group of 16-30 years, a bulk of which is in middle class, and occupy the major part of the country
4. They follow the policy of "Make-in-India".

- **Competitive Disadvantages:**

1. With lot of people buying the same design, many people won't feel standing out of the crowd.
2. They charge extra for shipping.
3. High prices compared to other sites.

Competitor Analysis: 3

Customink.com provides a feature of designing a t-shirt as desired by the customer, with a variety of designs available, and a customer can also upload their design, this helps them stand out in the market.



It is founded in 1999, by college classmates Marc Katz, Dave Christensen and Mike Driscoll. They acquired the Los Angeles based company represent.com on 4th February 2016, which helps the celebrities sell their t-shirts and merchandise to fans and followers. Today they have an annual turnover of \$400 million.

Barrier entry and Strategy:

- **Competitive Advantages:**

1. With the introduction of custom designing, they had a giant leap in the market.
2. Custom designing helped local sports teams to design their jerseys.
3. User friendly interface helps user to create without glitch.

- **Competitive Disadvantages:**

1. Only bulk order can be placed.
2. Product pricing is very high.
3. The shipping charges are quite high.

Competitor Analysis: 4

Rushorderteeshirts is a technological company based company. This company was started in 2002, by three people, Michael, Jordan and Alexis Nemeroff, while going to a high school. It was initially created as a school project website; it became popular among the locality and individuals who needed custom designs by deadline. Today, they occupy 63,000 square foot office, and had revenue of \$23 million.



Barrier entry and Strategy:

- **Competitive Advantage:**

1. They started off as a school project with an idea that helped them stand out of the competition.
2. Started partnering with sports teams.
3. Gained worldwide fame and recognition with donating clothes for poor and needy which also included resources like free shelter and food.

- **Competitive Disadvantage:**

1. Claims have been made earlier for their faded design quality and worst customer care.
2. They had to wait for some time to gain recognition.

Competitor Analysis: 5

Xtees is an famous online store for various Crazy, Naughty, Funny, Offensive, Humor rich quotes, Politically In-correct things, Wacky Slogan T-Shirts for Guys, Girls & Kids. They specialise in custom made shirts.

It was established in 2006 by Mr. Manoj, a Tiruppur based businessman.



Barrier entry and Strategy:

- **Competitive Advantage:**

1. Provides custom designing for even one item.
2. Reasonable pricing and value for money items.
3. Follows government policy of “Make-in-India”

- **Competitive Disadvantage:**

1. It doesn't have wide recognition in the country.
2. With low product pricing, the higher class of the society considers it to be of cheap quality.

Multi-year financial information:

Textile Industry is one of the oldest Industries in Indian industry dating back to several centuries. Textiles and garments being the basic need in day-to-day life marks its importance for a wide employment for the people varying from handmade woven cloth to mill/factory production. Handmade cloth is spinning, weaving, knitting, fabric finishing and the factory production includes the production of their own.

Textile Industry had a unique position because it is a self-reliant industry and it need only the raw materials for the production and need to delivery of finished goods with good value-addition in each and every stage of making process and its contribution to the India's economy is valuable. India is the second largest manufacturer of Cotton and Silk. In the recent years of development, the textile industry's turnover is generated from physical marketing and online shopping. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world. The textile industry is linked with rural economy and performance of major fibre crops and which employ millions of farmers and crafts persons in rural and urban areas. It is estimated that one out of every six households in the country depends directly or indirectly on this sector.

Role of Textile industry in GDP:

Textile Industry in India is the second largest Industry in the country accounting to about 45million employment for the country. This industry had been one of the leading industries in the economy Indian and it contributes 14 percent of total industrial production within India. India is one of the top garments and textile producer and the share it holds is 63% in the global level trading. Whereas the domestic textiles contributes 2% of the India's GDP . Then we can understand that it contributes 7% of industries value terms output and it also gives 12% of export earnings for the country. In the years 2004-05 India saw a moderate growth in this Industry and then from 2005 it saw robust growth in the industry ever since. The uniqueness in the structure of Indian textile sector is because of the tax, labor costs, and other policies that have favored for the small-scale and medium. India's participative development focus has been on increasing textile manufacturing by building best manufacturing infrastructure, enhancing skills and traditional strengths in this sector.

Turnover of Textile industry:

The textile industry in Indian had a large contribution to the GDP of India and over 25 million people are employed in the FY19. Handloom Industry contributed 15% of India's export earnings in the total export of textiles in financial year 2019. The Handloom sector is one of the oldest industries in the Indian economy and having a variety of products to offer. Over 55 lakhs handloom workers are working across the country and the domestic textiles handloom market stood at an estimated US \$ 35 billion in the financial year 2019.

Production of raw cotton as reached 36.04 million bales in financial year 2020. During the FY19 the production rates of fabric in India is about 1.45 million tons (MT) and by the start of March 2020 it reached 1.60 MT. so during this period we can understand that there is a great increase in the production of cotton for the textile industry. So there is a large market for the handloom clothing's within the

Country and all we need is to explore in various ways so that we can make sure we made a secure investment in this sector.

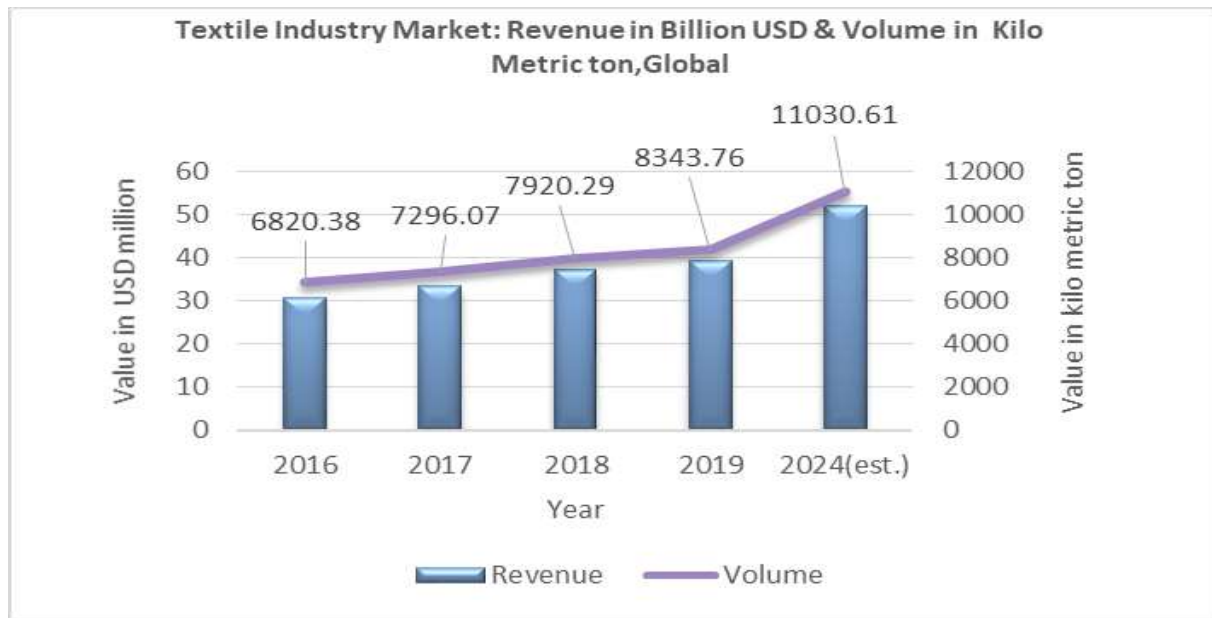


Fig 1 shows the gradual increase of the textile sales throughout the year 2019 to 2024 and we are going and the volume of the product is also going to increase highly.



Fig 2 shows the increase of the total textile sales the globe and there will also be increase in India.

Marketing Plan with customer relationship & distribution channel:

Marketing Plan:

Market Review:

The online portal that we are going to develop is” Weaver Nest “Online clothing’s mainly focus on delivering best traditional clothing with the high quality of fabric and diverse color’s that are produced by high skilled weavers from Mangalagiri Andhra Pradesh and super speed textile industry machines that never compromise the quality of the product. Our main focus is on providing variety of clothing to the users or customers through this E-commerce website and app we are going to develop. Now we are going to provide more details about the size of the market and the targeted customers who are going to buy this clothing’s.

Industry Size and Trend:

The handloom and the garment sector is playing an important role in Indian economy and also helps in the economic development of rural people and working class offering so many jobs. According to the statistical analysis over 5 core 65 lakhs people are employed through the weaving for the textile clothing’s and 60 % of the weavers are women and majority of them are from lower class and extremely poor background. Handloom sector contributes 19 % of the production of clothing’s that are produced in the country and 15% of the exported clothing are the handloom clothing's weaved by our country weavers.

In the state of Andhra Pradesh there are rich opportunities for starting a small scale handloom clothing company. The state is now having 2, 00,310 textile workers and handloom Weavers in Cooperative fold and 1, 58,902 in outside the cooperative fold. Now day's there is an increase in the usage of Handloom clothes throughout the country and the government is also providing

incentives to this sector and helps in the economical growth of the people who are working.

Market Segmentation:

As our head quarter is based at Hyderabad and our primary target age group is 18-40. Secondary primary target is 40-60 age groups and tertiary target are kids who are under the age of 18. The below are the census of the Hyderabad population.

Considering the literate population, its good progress to know that about more than 70 percent of the population is literate considering they have a household income stable. These are favorable conditions to start to expand the start-up initially around the area of headquarter, such that we can build a good customer relationship and trust. The mode of sale would be initially only online as we haven't settled in the market yet and as the market progresses we will expand to have offline stores and being a start-up we would have a third party distribution system as we cannot put excess expenses on transportation section.

Target Market and Program Strategies:

As Hyderabad is a metropolitan city and also a software hub and not just that it also has a good tourist hotspot, the chances of shortfall of sales won't be drastic there has been a huge demand for products, not just textiles because of the boom in e-commerce in the recent time. As it home for universities which is a call for the potential customer base.

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SWOT Analysis: For Our Company

Strengths:

- Our company is the first e-commerce site to apply machine learning algorithm to detect the users input picture and detect the perfect size.
- Creating new Market trend by allowing users to custom design and using new trends to adapt to this online marketing and selling.
- Even though our product is customer based, we still allow users to order a minimum of 1 product and we provide the best fabric because we had tie-ups with local farmers for raw materials.
- Online window, making it more convenient for the user to shop and we had an app that's have great user interface will allows the user to use in a smooth manner without any obstacles.
- Cater to people of all age groups and providing various designing tools to use and various colors had been provided to the user
- Experienced Management team because of them there is no delay in the production and no delay in the transportation and delivery of the product.
- Smart marketing strategies and various unique campaigning team to market the product and huge offers to the new user and with a reasonable price.
- Understanding the Indian Culture and fashion and according to that we are going to produce the apparels.
- Good fabric quality and value-for-money is the main motive of our company and we are going to deliver good product from our company.
- Customer loyalty program if any product we developed is having any problems we are having a help desk and we are going to solve those issues and we want to be loyal to our customers.

Weaknesses:

- Low initial Capital and brand image
- Restricted to limited states within the country and no distribution channel

- No tie-ups with foreign brand.

Opportunities:

- Use of local designers.
- Teaming up with online shopping platforms.
- Growing national and international market.
- Developing fashion consciousness globally.
- Increase in GDP offers new taxation policies offers exciting opportunities.
- Rise in exports.
- Enhance our Image.
- Increase our popularity.

Threats:

- Companies with better internet visibility and SOE.
- Increased competition from leading already established e-commerce brands.
- Price wars with competitors.
- Emergence of International Brands with same concepts and already existing brands huge competition.

USING SOCIAL MEDIA INFLUENCERS FOR POSITIVE PRODUCT REVIEWS:

To gain initial attention and market momentum, we could start out by starting out by gaining reach through social media where our target customer is completely exposed and we could try getting a paid advertisement from personalities who are really influencing by sending them products and expect them to review the product on a social media scale which increases the company reach better.

Search engine optimization (SEO):

This shows the visibility of the page, how on top it is when a relevant search of the phrase is done. This is a fundamental unit for marketing expansion and

reaches, as daily the number of internet searchers is reaching trillions. Better the visibility and higher ranking in the internet search than your competition can impact the bottom line. The chance of buying our product will be increased with the increase in appearance of our website when a textile product is searched.

Sales Strategy:

It is the intent to start the business selling the clothing people need to create a unique image of them. This includes various prints, colors, and styles. To increase sales and promote our store, special events will be held that please people, stimulate interest, pursue leisure, involve social participation, and occur within a specific, prescribed time frame. Some of our special events will include:

- Anniversaries
- Celebrations
- Ceremonies
- Concerts
- Contests
- Exhibits
- Fashion Shows
- Festivals
- Grand Openings
- Premieres
- Sports Shows
- Testimonials
- Trade Shows

Special events give us powerful vehicles to promote our image, products, merchandise, services, and to generate good will to the public. We will use these special events to attract customers, sell products, earn profits, make markets aware of new developments, and make communities aware of their policies, goals, and purposes. We will not be offering credit to our customers.

This will check verification and company offers check verification and check guarantees. It will give us the chance to increase sales by enabling customers to make impulse buys. All potential sales will be attended to in a timely fashion and long-term salesperson/customer relationships will be a major goal of our brand. These offline transactions would only occur during these events in order to maintain and catch the bulk buy options from the customers. It is keys to conduct the events at the time when our reach would be maximum. For this marketing planning an analyst would be hired and he is responsible for this.

Distribution channel:

There are two types of channels:

1. Physical Channels

- Wholesaler/Distributor
- Direct/Internet
- Direct/Catalog
- Direct/Sales Team
- Value-Added Reseller (VAR)
- Consultant
- Dealer
- Retail
- Sales Agent/Manufacturer's Rep

2. Mobile/Web Channels

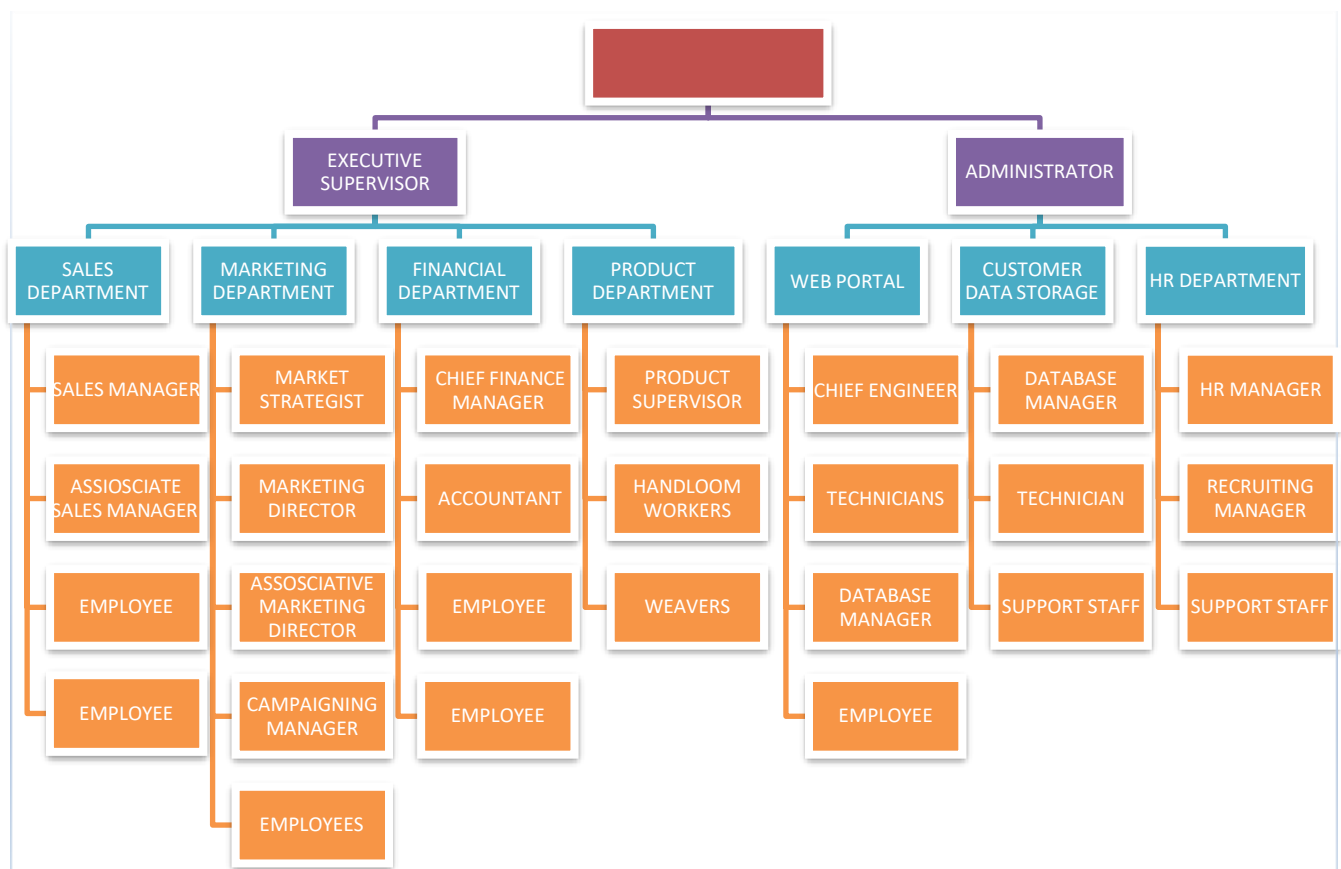
- App Stores/Recommendation Sites
- Optimizing Search Discovery
- Ad Networks
- Create a Mobile Web Version of your App

- TV Ads

The marketing channel we are going to use is through online. It is the marketing and selling of products directly to consumers. We are going to distribute the product through courier and when the customer selected the product he is going to buy in the cart the customer is going to be placed in 5 working days and the customers we will provided and with this type of distribution channel the customer can be benefited and we are going to provide a quality product through our channel.

MANAGEMENT TEAM AND STRUCTURE

ORGANIZATIONAL PLAN FOR ORGANIZATION:



PROFILE, EXPERIENCE, RESPONSIBILITIES:

CEO:

CEO also, sometimes referred as the president, he is the crucial member of the organization who is the heart of it. Ashok Chadalgada CEO is the one who runs executive operations and deals officially with everyone else on the behalf of the company. To a startup be successful it is important to have an excellent CEO who has abilities to take decisions spontaneously thinking of different outcomes and consequences and all leading to a margin of profit. He demands the processes to be completed to the executive supervisor. CEO determines goals and budget of the company for the year. He also deals with market shares and competition.

As a CEO myself I am going to use the emerging technologies and use the social media up to maximum to promote the clothing product and in order to maintain the company I am going to need proper staff who is passionate about the work they are doing. So the team I recruited is a balanced team with both young generation and old one who are experienced. With the help of this kind of team I am going to run the company in a proper manner with me I have a trusted friend whom I know from my childhood onwards and he help me in establishing this startup.

Executive Supervisor:

Supervisors have to submit their work to the executive supervisor who answers about the progress of the workers, products created, the balance between profit and loss to the CEO of the start up. Since CEO cannot maintain the total process of the startup and have many works like to maintain balance in promotions, services and profits; executive supervisor takes the role to bring out the balance and responsibility to maintain the startup on track. He details the plans and strategies to the supervisors about the idea and beliefs of the start up. So he is essential in keeping up the motive and dedication towards the startup.

For our startup company the Executive Supervisor had previously worked in the textile industry segment and he had work experience of 20 years in this handloom sector and previously he used run a small business for selling the handloom clothing's and now with a vast knowledge beside us it will be a great help for the company and in the initial years if this startup all we need is a good supervisor with a vast knowledge about the work and field he is in. The responsibilities of the Executive supervisor are managing the supervisors under his division and make sure that the supervisors are allotted various work's that they had been tasked and make sure that the work goes on as scheduled.

Product Supervisors:

The recommended number of supervisors required is 4. The role of supervisors is that to supervise the working of handloom weavers. They have to ensure that everything is going on line and the productivity is maintained and is on par. The role of supervisor is identical to the role of software product manager as in managing the developing software product. Supervisor stands as the connecting human resource manager between the market vendor and the workers. For each group of handloom workers, one supervisor is allotted. They have to maintain a chart of progress in the working department.

Sales Manager:

For our startup the role of sales manager is very important because they are responsible for motivation and they advise employees to improve their performance and they also hire and train new sales representatives for the company. Sales manager ensure that sales department works functionally and systematically with executive officials from other departments of the company. For example, sales manager need to collaborate with marketing department to generate lead sources and they try to expand their target customer base and make sure that customer needs are met.

The sales manager in our company had an experience of 10 years in this department and he is a MBA degree holder and he is efficient with his work and passionate about this department and maintains good relations with the coworkers.

The major responsibilities of the sales manager is to make sure that the sales rate increases and Set targets dates, performance plans, and meeting with the sales representatives to review performance, progress of sales, and make sure their targets.

Campaigning Manager:

Number of promotion heads or Campaigning managers required is 2 persons. Qualification for the 1st person include good communication skills, preferred to be old and experienced, knows weaving and the art of hand looming. He must have a good background so as to promote the start up throughout the industry. Some choices of this role of promotion head who also serves as an ambassador includes Padma Shree holder Mallesham known for his wide work in hand looming. Another promotion head is required in this start up for the social media support and promoting through face book, Instagram and YouTube etc. He sponsors the start up and posts some of the handloom products via ads in Instagram which will be attracted to customers while scrolling.

For our company previous experience of these two persons are the crucial because of them only we are going to market the clothing product and they are going to plan some campaigns about how we are going to market it. We have a associate campaigning manager who is young and know how the social media works and who to promote the products in this medium.

Marketing directors:

Marketing directors are the people who are responsible for the company's communications and marketing strategies and help us create an overall brand for the company and self image. They prepare annual marketing plans, create a calendar of campaigns and events, set the marketing budget and analyze the market and competitors. They guide a marketing department, including the work of marketing managers. The job involves oversight of all trade, consumer and brand marketing activity around the world.

He holds the responsibility of directing the brand to places and in ways that match the aspirations and vision of the business. The main challenges for them are continually keeping true to the values of the business and the expectations and make sure that the customer are interested by their marketing stuff to buy the products and reach as many as possible customers ultimately to increase our market share.

Machine and Handloom Workers:

Experienced handloom workers are taken for this purpose of the project. Experience is a mandatory criterion because the textiles weaved by them ensures quality only then endured by experience. Around 60 handloom workers are needed while the startup is in beginning and obviously this number would increase with further demands following the supply and demand rule. Most of these handloom workers are recruited from the villages of Mangalagiri and Kanchipuram known for their skills in weaver. Most of them are from a poor background and most of them are also women and we want to provide them a opportunity to lead their lives on their feet.

Market vendor:

Market vendor takes the role of collecting resources to the inventory and maintaining stock from cotton to wool products and raw materials so as to start the weaving process. He ensures that the capital given to him is turned into the raw materials. He must have an own transportation system so as to transport raw materials from farmer fields to the workers. His desirable qualities include being accountant, responsible and punctual.

Technicians:

Technicians are the people who do the backend work of the web portal. They create a website that is user-friendly and have a good interface which the user will use with ease and fulfill the demands of chief manager. They create and manipulate the website to the needs of startup. Any crashes to the websites are dealt by them.

Here the experience of the technicians who are working in the major departments are 3-4 years because we need young technicians to do this, they do with passion and they are the hard workers and they know the emerging trends and technologies and they make sure we follow them.

Database Manager:

Database manager has two pivot roles. He has the responsibility to maintain the database by adding the products to the websites, removing the old ones and adding the new products. He has another role which sky's up the market sales for the startup. He has to make sure to maintain the old customers. So for this to be implemented, he will store the details of the previous customers and keep them updated about the new product releases. This helps to keep in track of ongoing customers

Support Staff:

Support staffs are the same employees who have to be versatile and have multiple aspects in their job domain to entertain. These staff can have a minimum experience than others like at least 2 years of experience is enough for them to fit in the role, since their main priority is to give a helping hand in the project. They are helpful in collecting the customer's details in human resource department. They help in the transport of the raw materials to the handloom workers and in some cases they need to make sure the courier and the packages are transported safely and support staff helps in various aspects of the organization.

Recruitment Manager:

Recruitment manager has the role to bring in the new candidates for the startup. He checks out the vacancies and the opportunities for the more human enrichment to make work faster. So in these areas of field, he conducts different interviews and skill tests before recruiting and bringing in the new staff to the startup. He has to make sure the salary paid to the employee is satisfying for the employee and isn't a loss to the

management. The recruitment manager has to be experienced and well skilled of several manners and fields.

In our startup we have a good skilled recruitment manager who had more than 10 years of experience in this field and he helps us in finding of the handloom weavers for the company and with his experience we can come up with a good team to work.

Marketing strategist:

Marketing strategist will be responsible for setting specific objectives to develop a cohesive and profitable marketing strategy for our company. Our Marketing strategist position involves a variety of tasks, including designing digital marketing campaigns and performing market research. Some of his requirements are asked to be creative, goal-oriented professional, and like to be part of the team and share innovative ideas to achieve desired targets.

Website Maintenance:

Along with CEO, 10 Admin's are estimated to be required for the creation and maintaining of the website which serves as an online platform for the hand looming and clothing market startup. Customers can view and purchase the products from this website. The role of the admin is that to create the website and databases required in the first place with an attractive user interface and then to handle the products weaved by the workers hired and take catchy photos of them and upload them on the website. Then, on a daily basis admin has to update the products and assign suitable prices to them. He has to be held responsible if the website crashes or works with any delay.

Chief Financial Officer:

As part of an executive management team, the CFO will have interaction with various members of a company, both senior and junior. CFO should have qualities like providing leadership, direction and management of the finance and accounting team providing strategic recommendations to the CEO and members of the executive management team. He need to manage the processes for financial forecasting and budgets. He advises on long-term business and financial planning, establishing and developing relations with senior management partners and stakeholders. CFO Job qualifications and requirements are: The role of CFO is very senior; hence a high level of experience is expected for anyone applying for this role. A Bachelor's degree is expected. At least 10 years' experience in the finance industry and managing a team is a must.

FINANCIAL PROJECTIONS:

Sources of Capital:

Financial capital for start-up is the key push over for the project to attain its success state and to place our product among people. Money plays a major role in running a start-up until you find good investors for long term investing.

- The majority of the source of capital is highly dependent on the sales we make. The higher the sales that more spread of involvement of people, greater production, the more the prosperous the business start-up becomes
- Government provides support to start-up companies by providing legal support, Incubation, fast track patent application, credit exemptions, financial support we are going to get funding from the government through the special assumption and the handloom Act 2017 for establishing and producing handloom clothings. Example: NSTEDB scheme
- Banks provide simple loans which is easy to apply these days being quick and hassle free. Government also provides business loan and we brought 2 core loans from the banks.
- It is always recommended to find the companies that encourage entrepreneurship and start-ups. Even world leading companies like Google and Netflix have also developed like this way by searching their sponsors who encourage start-ups. In our case we got the good support from the PVR shopping mall because they had share in our company and their investors felt a promising future from our startup
- Bootstrapping is also a means of financing for the start-up through highly creative acquisition and use of resources without raising equity from traditional sources or borrowing and we are following it.

- Another source of capital can be considered from the advertisements if the start-up can manage to avail them. Though it's not a large sum of money from advertisements at an initial stage, it can still be considered as one of the source of capital.
- Crowd funding platforms are basically set up for individuals to pitch their business ideas or challenges to a community of investors; if the notion of the plan is liked by investors they can fund the start-up.
- Start-up companies can seek for business incubators at the starting stage.

Year Forecast Income Statement:

Use of Funds how are we going to use and we anticipating using the \$8,000 of pre-launch startup expenses including...

- **Pre-launch rent: we are having \$3K One month of rent**
- **Pre-launch fix-up: we are giving \$2K and We do most of the work by ourselves**
- **Legal: \$1K**
- **Prelaunch marketing expense: \$2K. Includes branding, logo, social media, pre-launch marketing. We plan to do most of this by ourselves.**

We are going to need \$70K for the pre-launch assets of this company

- **cash on hand \$18K**
- **inventory \$30K**
- **other current assets \$2K**
- **furniture, shelves, signage, etc. \$2K**

Total starting costs: \$78K.

Sources of Funds for the startup: We are going start with \$35,000 of founder investment. We will have a \$20,000 dollar line of credit from our bank

Projected Profit & Loss:

	Year 1	Year 2	Year 3
Revenue	₹ 4,68,30,530	₹ 5,37,98,000	₹ 6,84,03,750
Direct Costs	₹ 2,57,56,810	₹ 2,95,88,900	₹ 3,76,22,044
Gross Margin	₹ 2,10,73,720	₹ 2,42,09,100	₹ 3,07,81,706
Operating Expenses			
Salaries & Wages	₹ 1,10,55,600	₹ 1,37,49,200	₹ 1,91,40,396
Employee Related Expenses	₹ 19,53,600	₹ 23,94,640	₹ 33,84,094
Telephone / Cell Phone	₹ 1,33,200	₹ 1,33,200	₹ 1,33,200
utilities	₹ 3,33,000	₹ 3,33,000	₹ 3,33,000
Rent	₹ 22,20,000	₹ 22,20,000	₹ 22,20,000
Marketing	₹ 3,99,600	₹ 3,99,600	₹ 3,99,600
Sales	₹ 3,55,200	₹ 3,55,200	₹ 3,55,200
Other	₹ 4,44,000	₹ 4,44,000	₹ 4,44,000
Amortization of Current assets	₹0	₹0	₹0
Total Operating Expenses	₹ 1,68,94,200	₹ 2,00,28,840	₹ 2,64,09,490
Operating Income	₹ 41,79,520	₹ 41,80,260	₹ 43,72,216
Interest Incurred	₹ 68,302	₹ 36,186	₹ 32,486
Depreciation and Amortization	₹ 1,11,000	₹ 1,11,000	₹ 1,11,000
Gain or Loss from Sale of Assets			
Income Taxes	₹ 4,00,044	₹ 4,03,300	₹ 4,22,836
Total Expenses	₹ 4,32,30,356	₹ 5,01,68,226	₹ 6,45,97,856
Net Profit	₹ 36,00,174	₹ 36,29,774	₹ 38,05,894

Projected Balance Sheet:

	Starting Balances	Year 1	Year 2	Year 3
Cash	₹ 13,32,000	₹ 22,13,192	₹ 43,39,508	₹ 82,37,088
Accounts Receivable		₹ 2,52,932	₹ 2,38,354	₹ 3,02,808
Inventory	₹ 22,20,000	₹ 73,97,262	₹ 94,04,142	₹ 94,04,142
Other Current Assets	₹ 74,000	₹ 74,000	₹ 74,000	₹ 74,000
Total Current Assets	₹ 36,26,000	₹ 99,37,386	₹ 1,40,56,078	₹ 1,80,18,038
Long-Term Assets	₹ 11,10,000	₹ 11,10,000	₹ 11,10,000	₹ 11,10,000
Accumulated Depreciation		₹ 1,11,000	₹ 2,22,000	₹ 3,33,000
Total Long-Term Assets	₹ 11,10,000	₹ 9,99,000	₹ 8,88,000	₹ 7,77,000
Total Assets	₹ 47,36,000	₹ 1,09,36,386	₹ 1,49,44,078	₹ 1,87,95,038
Accounts Payable	₹ 7,40,000	₹ 25,10,524	₹ 31,12,588	₹ 31,12,588
Income Taxes Payable		₹ 1,27,502	₹ 1,00,862	₹ 1,05,598
Sales Taxes Payable		₹ 8,54,034	₹ 8,40,566	₹ 10,68,634
Short-Term Debt	₹ 1,81,892	₹ 2,15,636	₹ 2,20,890	₹ 2,26,366
Total Current Liabilities	₹ 9,21,892	₹ 37,07,696	₹ 42,74,980	₹ 45,13,186
Long-Term Debt	₹ 18,16,108	₹ 16,30,442	₹ 14,41,150	₹ 12,47,936
Long-Term Liabilities	₹ 18,16,108	₹ 16,30,442	₹ 14,41,150	₹ 12,47,936
Total Liabilities	₹ 27,38,000	₹ 53,38,212	₹ 57,16,130	₹ 57,61,196
Paid-In Capital	₹ 25,90,000	₹ 25,90,000	₹ 25,90,000	₹ 25,90,000
Retained Earnings	₹ 5,92,000	₹ 5,92,000	₹ 30,08,174	₹ 66,37,948
Earnings		₹ 36,00,174	₹ 36,29,774	₹ 38,05,894
Total Owner's Equity	₹ 19,98,000	₹ 55,98,174	₹ 92,27,948	₹ 1,30,33,842
Total Liabilities & Equity	₹ 47,36,000	₹ 1,09,36,386	₹ 1,49,44,078	₹ 1,87,95,038

Projected Cash Flow Statement:

	FY2019	FY2020	FY2021
Net Cash Flow from Operations			
Net Profit	\$48,651	\$49,051	\$51,431
Depreciation & Amortization	\$1,500	\$1,500	\$1,500
Change in Accounts Receivable	(\$3,418)	\$196	(\$871)
Change in Inventory	(\$69,963)	(\$27,121)	\$0
Change in Accounts Payable	\$23,926	\$8,136	\$0
Change in Income Tax Payable	\$1,723	(\$360)	\$64
Change in Sales Tax Payable	\$11,541	(\$182)	\$3,082
Change in Prepaid Revenue			
Net Cash Flow from Operations	\$13,961	\$31,221	\$55,206
Dividends & Distributions			
Change in Short-Term Debt	\$456	\$71	\$73
Change in Long-Term Debt	(\$2,508)	(\$2,559)	(\$2,610)
Net Cash from Financing	(\$2,053)	(\$2,487)	(\$2,537)
Cash at Beginning of Period	\$18,000	\$29,908	\$58,642
Net Change in Cash	\$11,908	\$28,734	\$52,669
Cash at End of Period	\$29,908	\$58,642	\$111,312

Assumption, Analysis and Justification:

It is obvious that we are going to have revenue stream for first year is surely less than next two years of company's operations. This is because will enter the new market, and as the business has not already built brand name in other markets, so it will take time to establish the business through extensive promotional campaigns. The costs that will vary consist of business purchases and gross margins. While the costs that are fixed will be equipment, rent, salary, marketing, accounting and other fixed costs. In the year 1, the business is expected to gain a gross profit of nearly \$ 51431 which will increase in further two years. With regard to the balance sheet, it can be seen that there is no long term assets of business that are intangible. The expected net worth of business in first year will be \$ 48651 which will further increase in next two years. The grocery retail business is profitable so it is expected that business net worth will grow 8% annually.

Conclusion:

Finally we can conclude that our company is going to need so much investment starting year and we are going to promote our product different manner so that it can reach various types of customer based on their segmentation and our startup needs so many resources and support and in this modern era with a tough competition with various already established companies it is going to be really hard but we propose a business plan that helps us to make the company established in a proper manner with all the resources data needed to establish it. Myself from Computer says background had some knowledge about the startups and how we are going to run a company with a clear plans to organize the company in a systematic way we can troubleshoot the problems we are going to face. We know that in the initial years we are not going to get profits with proper marketing and sales strategy campaign we are going to promote your product in this competitive world and make sure more users had reached our promotion and they knew about a product. Trust is the major motto in this sector without trust we are not going to gain any customers and in this business plan we had discussed how we are going to start the company and how we are going to get investment for our company in the following years

THANK YOU