A/ Assignment recap

Develop a business plan for your independent fashion business, service or new fashion product. These must include an executive summary, company vision, value proposition, market and competitive analysis, and the ways your company will position itself to take advantage of your targeted market including a marketing plan, an operational plan and a financial plan

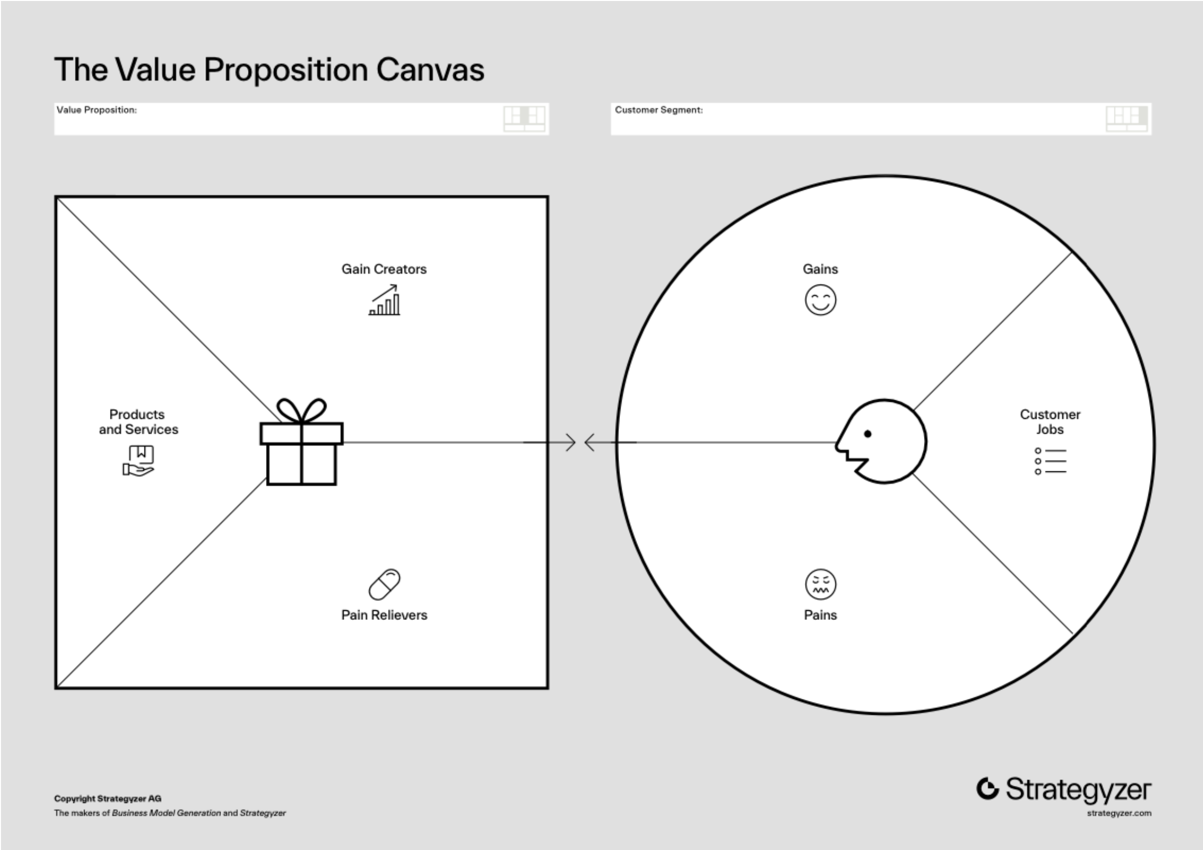
Suggested structure

I. Executive summary
II. About the company
III. The concept
IV. Market analysis
V. Value proposition canvas
VI. Marketing plan
VII. Operational plan
VIII. Financial plan

B/ Key term definition

Value proposition canvas

The Value Proposition Canvas is a strategic tool used by businesses to understand and design the value they offer to their customers. It helps companies articulate and visualize their value proposition by breaking it down into two key components: the Customer Profile and the Value Map. Developed by Alex Osterwalder and Yves Pigneur as part of the Business Model Canvas, the Value Proposition Canvas is a valuable tool for developing customer-centric products and services.



Marketing plan

A marketing plan is a comprehensive document or strategy that outlines an organization's marketing goals and objectives, along with the strategies and tactics to achieve them. It serves as a roadmap for how a company will promote and sell its products or services to its target audience.

Operational plan

An operational plan is a detailed and specific document that outlines how an organization will execute its strategic goals and objectives on a day-to-day basis. An operational plan typically covers a specific time frame, often one year, and provides detailed action steps and resources needed to accomplish specific tasks and milestones.

Financial plan

A financial plan is a comprehensive document or strategy that outlines an individual's or organization's financial goals, objectives, and strategies for managing their financial resources over a specific period. Financial planning is a dynamic process that involves assessing current financial status, setting financial goals, and developing a roadmap to achieve those goals while considering factors like income, expenses, savings, investments, and debt.

Break even point

The break-even point (BEP) represents the level of sales or revenue at which a company's total costs equal its total revenue, resulting in neither profit nor loss. In other words, it is the point at which a business covers all its fixed and variable costs, and beyond which it starts generating a profit.

The break-even point can be calculated using the following formula:

$$BEP = \frac{FixedCosts}{SellingPriceperUnit - VariableCostperUnit}$$

- Fixed Costs (FC): These are costs that remain constant regardless of the level of production or sales. Examples include rent, salaries of permanent staff, insurance, and depreciation.
- Variable Costs (VC): These are costs that vary in direct proportion to the level of production or sales. Examples include raw materials, direct labor, and variable overhead.
- Total Costs (TC): This is the sum of fixed costs and variable costs: TC = FC + VC.
- Total Revenue (TR): This is the total income generated from sales of goods or services. It is calculated by multiplying the selling price per unit by the quantity sold: TR = Price per Unit × Quantity Sold.

AIDA Model

The AIDA model is a classic marketing and advertising framework that outlines the stages a potential customer goes through when interacting with a marketing message or advertisement. AIDA stands for Attention, Interest, Desire, and Action, representing a sequence of cognitive and emotional steps that a consumer typically experiences when exposed to marketing communication:

- Attention: This is the first stage of the AIDA model. To capture a prospect's attention, a marketing message or advertisement must be eye-catching and attention-grabbing. It's about getting noticed and standing out in a crowded marketplace.
- Interest: Once the attention of the prospect is captured, the next goal is to pique their interest. This involves providing information or content that resonates with the target audience and addresses their needs or interests. The goal is to keep the prospect engaged and wanting to learn more.
- Desire: After generating interest, the marketing message should create a sense of desire or want in the prospect. This is where the value proposition and benefits of the product or service are emphasized, highlighting how it can fulfill the prospect's needs or solve their problems. The aim is to make the prospect desire the product or service.
- Action: The final stage of the AIDA model is to prompt the prospect to take action. This action could be making a purchase, signing up for a newsletter, requesting more information, or any other desired response. The marketing

message should include a clear and compelling call to action (CTA) that encourages the prospect to act immediately.

Sales forecast

It is the process of estimating future sales or revenue for a specific period, product, or market. The primary goal of sales forecasting is to provide a reasonable estimate of future sales that can serve as a basis for business strategy and resource allocation.

Profit and Loss (P&L) statement

Also known as an income statement or statement of operations, is a financial report that provides a summary of a company's revenues, costs, and expenses over a specific period, typically a month, quarter, or year. The primary purpose of a P&L statement is to show whether a company is making a profit or incurring a loss during the reporting period.

Cash flow statement

A cash flow statement, also known as a statement of cash flows, is a financial statement that provides a summary of a company's cash inflows and outflows over a specified period, typically a month, quarter, or year. The primary purpose of a cash flow statement is to show how changes in a company's balance sheet and income statement affect its cash position.

A cash flow statement is divided into three main sections:

- Operating Activities: This section details cash flows from the company's core operational activities. It includes cash received from customers and payments made to suppliers, employees, and other operational expenses. It also accounts for interest received and interest paid, as well as income tax payments.
- Investing Activities: This section covers cash flows related to the acquisition and disposal of long-term assets. It includes purchases and sales of property, equipment, and investments. Capital expenditures (CAPEX) for business expansion or improvement projects are also included in this section.
- Financing Activities: This section shows cash flows related to the company's financing activities, including the issuance and repurchase of stock, borrowing and repayment of debt, and payment of dividends to shareholders. It provides insight into how the company raises and distributes capital.