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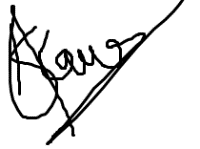
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Please list the evidence submitted for each task. Indicate the page numbers where the evidence can be found or describe the nature of the evidence (e.g. video, illustration).

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| **Task ref.** | **Evidence submitted** | **Page numbers or**  **description** |
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**Learner declaration**

I certify that the evidence submitted for this assignment is my own. I have clearly referenced any sources used in the work. I understand that false declaration is a form of malpractice.

Learner signature:                                                         Date: 02/06/2023

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# P1. Potential business opportunities for a start-up business

**Introduction**

In this assignment, I will describe the business concept and the factors I need to consider when establishing a new business. I will also provide some of the start-up business that can be generated with some potential successful reasons. Additionally, I did some research on how the fashion industry employs my selected firms.

**There are five suggestions for generating new products, services, and/or business markets.**

**Technical breakthrough:** initially, the ideas are derived from inventive technical fields that are typically not available to the public. The most prominent and eminent industry experts with technical expertise who are employed by a specific company to implement innovative and bespoke solutions for ground-breaking modernisations. Through this, business can be generated; the iPhone is the finest illustration of a breakthrough. Apple has introduced many new products to the market as a result of the development of new technology, thereby generating new market demand.

**Non-technical idea development**: this can be quite useful and is already on the market, but there have been modifications. For instance, the jewellery industry has introduced a new concept that allows customers to construct their own items, such as bracelets, flying unicorn pig charms, Murano glass and curved feather charms, and many other new items; as a result, consumers have a wide range of options within their budgets. In addition, a number of companies have introduced concepts that recycle items instead of discarding them. They are offering consumers the option to purchase used items such as mobile phones, which they will then refurbis9h and resell.

**Ideas from a different setting**: They have decided to create an entirely new market after observing products and services in other nations, civilizations, and fields of interest. Several local clothing stores, for instance, sell clothing and accessories online in response to local passions, thereby expanding their businesses into impressive success stories. To be successful in business, they must introduce and launch new products and items in order to attract more attention to their company.

There are a few business concepts that occurred to you by chance and that you have the ability to pursue. Spencer Silver, the inventor of post-it notes, attempted to develop a powerful adhesive in 1970, but the result was a weakened substance. He invented that this weakened adhesive would adhere, but would rapidly detach. The history of post-it notes begins with the discovery of the product, which was introduced in 1979, by a man who, four years later, observed an acquaintance using paper markers in a music book that kept sliding. He used his adhesive to resolve the issue, and when the markers fell off the volume, they were undamaged.

This is the area where substantial investment is being made to develop new methods, products, and services. Reputable businesses will have distinct divisions that are motivated to create new or enhanced products. Apple, for instance, is constantly working on new ideas to innovate new products everywhere, such as the iPad, which was released in 2020, and very quickly introduced new iPad with some enhancements and new technology, newer models (Philips et al., 2016).

**My two micro-startup enterprises are Airbnb and Warbly Parker, and I will explain where the inspiration for their conception originated from**.

**Airbnb** is a well-known online marketplace that allows individuals to rent out their residences or apartments to travellers. In 2008, Brain Chesky, Joe Gebbia, and Nathan blecharczyk founded this corporation. When the company's founders were struggling to pay their rent, they decided to rent out air mattresses in their apartments to individuals who are in town for a week or a meeting. They all realised there was a demand for people who wish to visit and stay at a reasonable price and with a dependable travel experience. This experience inspired the notion to start a business.

**Warby** Parker is an online retailer that offers inexpensive, stylish eyewear and sophisticated solar spectacles that are in high demand on the market. Neil Blumenthal established the corporation in 2010. Andrew search, David Gilboa, and Jeffery raider are also among the founding members. When Warby Parker and other founders were attending business school and one of them lost their own spectacles on a vacation, this idea occurred to them. As they needed to purchase new spectacles and saw an opportunity to disrupt the eyeglass market by selling affordable, high-quality glasses directly to consumers, thereby attracting more customers, this came as a great surprise to them.

**There are three categories of microbusinesses with the potential to generate business opportunities.**

**New world:** is an e-commerce website with a strong emphasis on fast fashion. Since its inception in 2008, it has expanded significantly, particularly among younger customers. this offers an extensive selection of fashionable apparel, accessories, and cosmetics at competitive prices. They work with a variety of manufacturers, including their own manufacturing facilities, to obtain their products, and they endeavour to provide a vast selection of items to accommodate all styles and preferences. Shein has an extensive online following and uses social media marketing to interact with its customers.

**Temu** is an online store that sells a variety of fashionable clothing, accessories, and household goods for men, women, and children. The brand, which has its headquarters in the United States, has become immensely popular worldwide, particularly among youthful consumers. Temu's business strategy is centred on providing customers with options for quickly produced and delivered fashionable apparel. On the company's mobile app, where it conducts the majority of its business, customers can peruse a vast assortment of apparel, shoes, handbags, jewellery, and other fashion accessories. The brand offers an array of styles, ranging from athleisure and casual to formal and celebration attire. temu is a new enterprise that is gaining popularity throughout the globe.

**Online fashion store** is another fast-fashion retailer that primarily distributes online. Boohoo, a company founded in 2006, caters to young, fashion-forward customers with a vast selection of reasonably priced apparel and accessories. When it comes to introducing the newest fashion trends to the market, they are renowned for their swiftness. this offers a vast selection of products, including men's and women's clothing, activewear, cosmetics, and more. They employ influencers to promote their business and have developed a substantial social media following.

I have decided to peruse the idea of establishing an internet platform for a start-up that specialises in online fashion shop after giving it a lot thought. I have decided to go with it because it seemed like it would make more money than other ideas I had. New world and online fashion business is specified in accessories and more related to dresses whereas in temu I have unique selling point where I can include personal stuff such as automotive, industrial, clothes of men and women also for kids, accessories, household stuff is added and many more things. In addition, it complements one of my personal interests pretty well.

Temuhas demonstrated achievement potential in the fashion industry due to a number of significant factors such as variety of products in fashion world, ecteronic products and many more. Temu is now well-known and has potential for success. It is essential to recognise that despite Temu's success, their labour policies and environmental issues have generated controversy and criticism. Their long-term success will depend on addressing these issues and implementing sustainable and ethical practises. As a start-up this Business I have chosen this field because it will cost less money as compared to the other industries where I do not have to spend money for the physical place to start my business, it is way to cheaper to create a website which will help me to save the money as website require one-time investment. (Philips et al., 2016).

However, the business I have chosen will enable me to run the company on my own, which will result in a decrease in the amount of money spent on operating costs and an increase in profit.

**Conclusion**

In this part of the report, I have discussed the main criteria for generating the new existing ideas which are successful and I have researched more about three start-business of my choice that be generated and can be successful. I have also investigated how my chosen businesses are getting operated in the world of fashion.

# P2. Factors that will be required to start a micro business.

**Introduction**

In this part I will be discussing the difference between primary, secondary and territory sector which will help analysing more about that by personalizing by own business. I will be researching online to find some different business that are engaged in these sectors and will explain that they are operating in the market. I will be discussing about the impacts of some of the processes and I will provide appropriate pros and cons of the firm structure.

**These are the differences of the primary, secondary and tertiary sector with appropriate examples of the activities involves**.

**Primary activities:**

The economic sector known as the primary sector is one where raw material from natural resources are extracted and produced. As it largely includes operations connected to farming, fishing, mining, forestry and other types of natural resource exploitation also referred to as the agricultural sector.

**Secondary activities**

The secondary sector, together with the primary and tertiary sectors, is one of the three economic sectors. It is often referred to as the industrial or manufacturing sector. It includes tasks that entail turning raw materials into completed items or products and processing those elements. Examples of this sectors are manufacturing, construction, energy production, and utilities.

**Territory activities**

Along with the primary sector and secondary sector, the tertiary sector—also referred to as the service sector or the service industry—is one of the three economic sectors. Instead of the manufacturing of commodities, it includes operations that include the provision of services. For examples, the services that are extremely professional, such as legal advice, accounting, consulting and healthcare transportation, Banking, Insurance and many more. (Philips et al., 2016)

I was able to discover three notable businesses that are engaged in both primary and secondary operations as a result of my thorough research.my first company that works in primary and secondary sector is nestle. With its corporate headquarters in Vevey, Vaud, Switzerland, Nestlé S.A. is a worldwide food and beverage production giant. Since 2014, based on sales and other criteria, it has been the largest publicly traded food company in the world.

A global corporation called Nestlé works in both the primary and secondary economies. Raw materials are extracted and harvested in the primary sector, and those resources are then processed and turned into finished goods in the secondary sector. Nestlé operates in each industry as follows:

Primary Sector: Agricultural Activities: To get raw resources such milk, cocoa, coffee beans, cereals, and fruits, Nestlé works closely with farmers and agricultural suppliers all over the world. They forge connections with farmers, offer them tools and training to advance agricultural methods, and guarantee the calibre and sustainability of the raw materials.

Secondary Sector: Food Processing: Nestlé transforms the primary sector's raw ingredients into a variety of food and beverage products. This covers tasks like processing milk, roasting coffee beans, grinding cereals, and making chocolate. The wide range of products offered by Nestlé includes things like pet food, dairy goods, confectionary, bottled water, and breakfast cereals.

Manufacturing: Nestlé runs a large number of factories and manufacturing facilities all over the world. These facilities are in charge of turning the raw materials that have been processed into final goods. To guarantee consistency and safety, they use cutting-edge production technology and strictly follow quality control guidelines.

Territory sector: Nestlé places a strong emphasis on the efficient and environmentally friendly packaging of its goods. They create packaging materials that safeguard the goods, increase their shelf life, and have a minimal negative impact on the environment. The goal of Nestlé is to utilise more recyclable and biodegradable materials and less packaging waste.

It's vital to remember that Nestlé is also active in a number of other industries, including the quaternary sector (research and development) and the tertiary sector (distribution, marketing, and sales). The business's activities cover every step of the value chain, from obtaining raw materials to distributing completed goods to customers. (Philips et al., 2016).

Nestlé concentrates on the manufacturing and selling of a variety of food and beverage items in the tertiary sector. This involves creating, promoting, and selling goods like pet food, coffee, bottled water, dairy products, cereals, and other foods. By offering high-quality goods that satisfy a range of tastes and preferences, Nestlé aims to satisfy consumer desires.

Nestlé uses a wide network of workers and service partners to do this. Professionals engaged in product design, marketing, advertising, sales, distribution, logistics, customer service, and other support roles are among those mentioned. To guarantee that its products are successfully delivered to consumers, the corporation also works with multiple suppliers, distributors, wholesalers, and retailers.

Nestlé is involved in a variety of tertiary industries in addition to the manufacture and sale of food and drink products. Additionally, it provides programs for food safety, customer assistance, and nutritional education. These offerings seek to raise customer awareness, encourage healthy living, and guarantee the reliability and excellence of Nestlé goods.

Overall, Nestlé engages in tertiary sector business through offering a variety of products and services associated with food and drink. To suit the wants and preferences of the customer, it engages in operations involving a complex network of stakeholders, including workers, distributors, suppliers, and others. By integrating primary, secondary, and tertiary sector, businesses like temu can gain a comprehensive understanding of their target market, industry trends, and customer preferences. They can use this information to create effective marketing plans, identify growth opportunities, and make informed business decisions. (Philips et al., 2016).

According to available information, Temu incorporates primary, secondary, and tertiary operations to function. Temu likely utilises these numerous types of activity in the following ways:

temu's primary focus is on initiatives related to its core business operations, which include designing, procuring, manufacturing, and distributing apparel. They create and manufacture their clothing and accessory lines, prepare them for retail, and manage their distribution systems.

Secondary activity: temu contains auxiliary endeavours to support their primary enterprise. This includes procurement, the process by which a company acquires the resources and materials necessary to manufacture its products. In addition to using information technology infrastructure to support their online platform and digital operations, Boohoo employs human resources activities to manage its employees.

Tertiary research: Tertiary activities may be relevant to temu operations because they contribute to the general business environment. As an example, temu likely employs marketing and advertising strategies to promote its brand and products. In addition, they could collaborate with financial institutions to provide banking services, work with logistics and transportation companies to expedite delivery, and comply with applicable laws and regulations.

I will be discussing some of the controlling environmental impacts, physical resources, IT accessibility, time and budgetary restrictions, and financial restraints. An outline of how temu tackles these variables is provided below:

**Time Restrictions**: Effective operations temu will be frequently offers same-day or next-day delivery choices and makes use of sophisticated logistics and supply chain management technologies to guarantee prompt order delivery. Automation and robotics, To shave time off the fulfilment process, temu will invests in automation technology like robots at its fulfilment facilities. Operational efficiency optimization, Continuous process improvement and data-driven decision-making assist temu in locating and removing operational bottlenecks.

**Financial Constraints**: Cost management: I will be utilizing economies of scale growth, negotiating with suppliers, and investing in technology to increase operational efficiency, temu focuses on cost optimization. Diversified income sources in addition to its e-commerce platform, temu also makes money through advertising, through some excellent free gift vouchers Long-term financial planning, temu will balances profitability and long-term goals while making strategic investments in new projects and endeavours.

**Availability of IT:** Robust IT infrastructure will need help to operate its e-commerce platform, AWS, and other services, temu will significantly relies on its cutting-edge IT infrastructure, which includes data centres, cloud computing, and AI technologies. Technology innovation will increase its IT capabilities, the customer experience, and operational effectiveness, Amazon invests in research and development.

**Impacts on the environment:** Sustainability initiatives, temu will be dedicated to reducing its environmental effect. It has started programs like shipping Zero, which aims to make every temu shipping carbon neutral, and it has invested in renewable energy projects. Packaging optimization will help temu to prioritizes decreasing packaging waste by putting in place sustainable packaging solutions and programs like "Frustration-Free Packaging. “Environmental reporting an issues to temu on an annual sustainability report in which it details its efforts to reduce its carbon footprint, reduce waste, and use less energy.

# P3. Explaining marketing plan for my selected business temu

Temu is an online retailer of fashionable apparel, accessories, and other fashion-related products for women, men, and children. Temu's business model focuses on providing customers with affordable and stylish apparel options that are rapidly produced and shipped. This business will predominantly operate via its website and mobile application, where customers will be able to peruse a vast selection of apparel, shoes, handbags, jewellery, and other fashion accessories. The company provides a range of designs, from casual and athleisure to formal and partywear. A distinguishing characteristic of Temu is its competitive pricing, with many products available at comparatively low prices in comparison to traditional brick-and-mortar retailers. The organisation accomplishes this by refining its supply chain and manufacturing processes and frequently outsourcing production to various manufacturers and suppliers. Before making any adjustments to an online purchasing experience, it is advisable to examine consumer feedback, consider the company's policies, and make informed decisions. (Philips et al., 2016).

**Target market for Temu**

Temu's target demographic comprises predominantly of adolescent women and females between the ages of 16 and 35. The company focuses on ministering to fashion-conscious, fashionable, and price-conscious individuals. The pricing, product selection, and marketing strategies of Temu are designed to attract this particular demographic.

**Here are some important factors that define target market:**

Temu predominantly caters to younger consumers, especially adolescents and young adults. Generation Z and Millennials, who are active online consumers and more likely to adopt rapid fashion trends, are the demographics targeted by this brand. Temu attracts consumers who are interested in keeping up with the most recent fashion trends. The brand offers a variety of apparel designs, including both casual and formal wear, in addition to accessories and cosmetic products. The pricing strategy of Temu is intended to provide affordable fashion options. The brand frequently offers products at lower prices than traditional retailers, making it appealing to customers who are price-conscious or searching for inexpensive alternatives. Temu will have a significant online and social media presence, particularly on social media platforms such as Instagram, YouTube, and TikTok. The brand connects with its target market and generates chatter about its products through influencer marketing and user-generated content. Temu targets consumers globally and offers international transportation to a variety of countries. The website and app of the brand are available in multiple languages, enabling it to reach a wide range of customers. Trend-driven and rapid fashion: Temu capitalises on fast fashion trends and regularly revises its product offerings to reflect the newest fashions. The brand accommodates to consumers who desire to keep up with fashion trends on a budget.

**Businesses competing in the same market that are comparable**.

There are numerous businesses that compete with Temu in the same market. These competitors consist of:

1. **Romwe is** an online fast-fashion retailer that provides affordable fashionable apparel and accessories. It has a comparable target market, product offering, and pricing strategy.
2. Another online fashion retailer that concentrates on rapid fashion for women **is Zaful**. It caters to a similar demographic as temu and offers an extensive selection of apparel, including swimwear, dresses, shirts, and accessories.
3. **PrettyLittleThing** is an online retailer situated in the United Kingdom that specialises in rapid fashion for women. It caters to fashion-conscious and budget-conscious young women by providing a vast selection of fashionable apparel, footwear, and accessories at competitive prices.
4. **Boohoo** is a UK-based online fashion retailer renowned for its affordable and fashionable apparel options. It offers a range of designs for young women and men, from casual wear to formal attire.
5. **Misguided** is an online fashion retailer that caters to young women with its selection of rapid fashion. The brand offers an extensive selection of apparel, shoes, and accessories at affordable prices, with a concentration on the latest fashion trends.

In terms of product offerings, target markets, and pricing strategies, these businesses compete with temu. They all operate in the online rapid fashion space and seek to attract fashion-conscious consumers in search of affordable and fashionable apparel options.

**Managing corporate operations**

Starting a temu online business will requires meticulous planning, strategic decision-making, and perseverance to overcome obstacles. Here are some measures that temu will take to surmount common business obstacles:

I will be conducting exhaustive market research to comprehend target market, competition, and industry trends. I will create a thorough business plan outlining your objectives, strategies, and financial projections. This will serve as a guide for your business activities and enable you to anticipate potential obstacles.

I will be also constructing a powerful team: Surround within the competent and motivated individuals. Hiring individuals with disparate expertise can provide valuable insights and aid in addressing various business aspects. Collaboration and efficient communication within the team are essential for collectively overcoming obstacles.

I will be determining temu business which will show the expenses and create a financial plan in order to secure adequate funding. Explore various funding options, such as personal savings, loans, grants, and angel investor or venture capitalist investments. Sufficient capital will enable you to overcome early-stage obstacles and maintain business operations.

I will be developing a unique value proposition, defining my unique selling proposition (USP) or value proposition that sets your business apart from competitors. I will be understanding the needs of my target consumers and provide products or services that effectively address those needs.

**Producing a marketing plan for temu as start-up business using 7p’s.**

I will be discussing the 7Ps of marketing, also known as the marketing mix, is a framework used to analyze and optimize marketing strategies. While temu will be known as primarily and an e-commerce giant, we can still apply the 7Ps framework to understand its approach to marketing.

**Product:** Temu offers a wide range of products, including books, electronics, clothing, household items, and much more. Temu’s product offers are diverse, with an emphasis on providing a vast selection and convenience to customers.

**Price:** Temu’s employ has various pricing strategies, including dynamic pricing algorithms that adjust prices based on factors like demand, competition, and customer behaviour. Additionally, they offer discounts, deals such as 50% off, which provide additional benefits to people.

**Place:** Temu will operate primarily through its online platform, making it accessible to customers worldwide. They have established numerous fulfilment centres and distribution networks to ensure fast and reliable delivery to customers' doorsteps.

**Promotion**: Temu employs will have various promotional tactics to drive sales and increase customer awareness. They engage in online advertising, including display ads, sponsored product listings, and targeted email campaigns. Additionally, they leverage their customer reviews and ratings system to generate trust and word-of-mouth marketing.

**People:** Temu will be focusing on customer-centricity and strives to provide excellent customer service. Their employees are trained to help and support to customers through various channels, such as live chat, phone, and email. They also have dedicated customer service teams to handle any issues or concerns promptly.

**Process:** Temu has streamlined its processes to ensure efficient operations. They will be investing heavily in logistics and supply chain management, employing advanced technologies and automation to handle order fulfilment, inventory management, and delivery logistics effectively.

**Physical Evidence**: While Temu will be primarily operating business in the digital realm, physical evidence refers to the tangible elements that contribute to the customer experience. For temu, this will include the packaging of products, which is often distinctive and branded, creating a positive unboxing experience for customers. (Philips et al., 2016).

**Types of research techniques for obtaining information from the intended market**

Temu will utilise a variety of market research methodologies to collect data from its target market. Consider the following categories of market research for this business: To acquire quantitative data and opinions from your target market, Surveys and Questionnaires can design and disseminate online and offline surveys. Concentrate on pertinent demographic data, preferences, purchasing behaviour, and customer satisfaction. Individuals from your target market can be interviewed individually or in groups to gather qualitative data. These interviews can help you gain a deeper comprehension of consumer requirements, sore points, motivations, and feedback on your business concept.

**Focus Groups** can be organised as small group discussions with representative members of the target market in order to facilitate free-flowing conversations. This enables the business team to collect diverse perspectives and investigate into particular topics or product/service characteristics. Observation can aid a business in observing the target market in real-world or online environments in order to comprehend their behaviour, preferences, and interactions. This can be accomplished by conducting ethnographic research, monitoring social media, or monitoring website analytics.

**Competitor Evaluation**: I will be examining and evaluating the offerings, marketing strategies, pricing, and consumer feedback of your competitors. This can provide insights into market deficits, differentiation opportunities, and potential enhancement areas. Utilise online resources such as industry reports, market data, social media trends, and online forums to collect information about the interests, preferences, and challenges of your target market. Customer Surveys, Ratings, Reviews, and Testimonials can encourage consumers to provide feedback. Observe online platforms and social media channels for customer conversations and sentiment regarding your industry, competitors, and market opportunities.

**Pilot Testing and Prototyping**: I will be creating minimum viable products (MVPs) or prototypes and test them with a sample of your target market. Collect feedback, iterate, and improve your offerings based on the feedback you receive. Secondary Research is a form of market research that permits businesses to examine existing data, studies, and reports pertaining to their industry, market, and target market. This can provide insightful information regarding market size, trends, consumer behaviour, and the competitive landscape.

Utilise web analytics instruments to monitor website traffic, user behaviour, and conversion rates. This can help you comprehend how consumers interact with your website and identify improvement opportunities.

**The advantages and disadvantages of the research methods I will employ for the fledgling business temu are as follows:**

**Using research methods for a fledgling business has the following advantages:**

**Informed Decision Making**: I will be researching methods that provide valuable insights that facilitate the making of informed decisions regarding various business aspects, such as the target market, product development, pricing, and marketing strategies.

**Understanding the Market**: I will be researching methods that are enable entrepreneurs to acquire a deeper understanding of their target market, including consumer preferences, requirements, and behaviours. This knowledge enables the effective customization of products or services to meet customer requirements.

**Research methods** allow entrepreneurs to identify market opportunities, voids, and segments that can be exploited for competitive advantage. This information facilitates the creation of distinctive value propositions and differentiation strategies.

**Risk Mitigation**: I will be conducting market research, entrepreneurs can identify potential risks and obstacles that could have an impact on their business. This enables them to create risk mitigation strategies and make proactive modifications to their business plans.

**Utilising research methods for a fledgling business has the following drawbacks:**

In terms of time, **money, and expertise, conducting** research can be a resource-intensive endeavour for entrepreneurs. Research activities' scope and profundity may be hampered by limited funds and personnel.

**Time Constraints**: Start-ups frequently operate under strict time constraints, and undertaking exhaustive research may demand a substantial time investment. This will delay market entry and decision making.

I will be obtaining a large and diverse sample size for research can be difficult for start-ups, which can affect the generalizability and representativeness of the findings**. Potential Biases Research** methods are susceptible to a variety of biases, such as selection bias, response bias, and researcher bias. It is essential to recognise these biases and take measures to mitigate their effect.

Despite these **drawbacks, conducting** research can be extremely beneficial for fledgling businesses, as it provides valuable insights and facilitates the making of informed decisions. Startups must carefully plan and prioritise their research efforts based on their unique requirements and available resources. (Philips et al., 2016).

**Applying Porter's five forces to business environment management**

Porter's Five dynamics is a framework for examining the competing dynamics within an industry. I will be discussing about how these factors are relate to temu:

**Danger of New Entrants**: Temu will face a moderate to high danger of new entrants. While the e-commerce business has very low entry hurdles, temu's strong brand awareness, broad distribution network, and economies of scale function as substantial impediments to new companies. Additionally, temu's ongoing innovation and investment in technology offer them a competitive edge.

**Negotiating Power of Suppliers**: Temu will be comparatively low negotiating power of suppliers. The corporation has a huge network of suppliers and may utilise its size and influence to negotiate advantageous terms, discounts, and access to a wide variety of goods. However, in particular sectors like digital content licensing, temu may encounter some supplier power.

**Bargaining Power of Buyers**: The bargaining power of buyers is quite significant for temu. Customers have access to various online shopping choices, and switching fees are often minimal. This allows consumers the power to compare costs, demand competitive offerings, and influence the market. However, temu's concentration on customer-centricity and its broad product selection help preserve client loyalty.

**Danger of Substitutes**: The danger of substitutes is modest for temu. While e-commerce platforms and conventional brick-and-mortar businesses may be alternatives, temu's dominance in the online retail industry, convenience, rapid delivery, and reasonable price make it a favoured option for many consumers. However, the advent of new technology or business models might possibly pose a danger.

**Competitive competition**: The competitive competition within the e-commerce business, and notably in the online retail segment, is severe. Temu will confronts competition from both major established firms and smaller specialty merchants. Major rivals include Walmart, Alibaba, eBay, and various regional e-commerce platforms. The industry is characterized by pricing competitiveness, ongoing innovation, and aggressive marketing methods.

Overall, although temu will have dominating position in the e-commerce business, it confronts continual difficulties from new entrants, supplier power in some areas, consumer expectations, prospective replacements, and strong competition. The company's ongoing emphasis on customer happiness, operational efficiency, and innovation plays a critical part in retaining its competitive edge.

**Pestle**

I will discuss the pestle for my start-up business as temu. A fledgling business can utilise the PESTLE framework to effectively manage its business environment. The PESTLE study is a methodology used to examine the external macro-environmental elements that might affect an organization or sector. I will be evaluating the PESTLE elements applicable to temu :

**Political issues**: temu will works internationally and is vulnerable to political issues in many nations. These influences include government rules, trade policies, tax laws, and labour restrictions. Changes in political environments, such as transitions in government or trade conflicts, may influence temu's operations, cross-border trading, and supply chain.

**Economic Factors**: Economic circumstances substantially may impact on temu's operations. Factors like as economic growth, inflation rates, currency rates, and consumer spending habits may effect consumer buying power, demand for online shopping, and temu's income. Additionally, economic discrepancies between nations and regions might affect Amazon's market growth strategy.

**Sociocultural elements**: Sociocultural elements, such as cultural conventions, social attitudes, demography, and consumer behaviour, will play a vital part in temu's operations. As a worldwide firm, temu has to consider cultural variations, linguistic preferences, and local traditions when growing into new areas. Consumer trends, such the increased desire for sustainability and ethical behaviours, may also affect temu's commercial plans.

**Technological Factors**: Technology is a significant engine for temu's success. Continuous developments in technology effect temu's operations, shipping, and customer experience. Technological considerations include developments in e-commerce, artificial intelligence, data analytics, cloud computing, robots, and automation. Temu will spend substantially in these areas to boost its productivity, customer service, and competitive advantage.

**Considerations Under the Law**: temu must take into account the law in a number of different areas, including intellectual property, competition, privacy, data protection, and consumer protection. A trustworthy relationship with one's clientele as well as the avoidance of legal conflicts need the observance of rules, the observance of antitrust laws, and the maintenance of data privacy. temu's pricing strategy and profits are also influenced by the legal framework around online sales taxes and international business activities.

**Considerations Regarding the Environment** In recent years, environmental considerations have become more important. Temu will a prominent online retailer, is subject to examination regarding its influence on the environment. This scrutiny focuses on temu's emissions of greenhouse gases, waste management, and sustainable business practises. temu's day-to-day business and its attempts to be a good corporate citizen might be influenced by rising levels of customer awareness as well as legislative challenges relating to issues of sustainability and climate change.

It is essential to keep in mind that the effects of these variables on temu might differ greatly based on the particular area or region in which the company operates. The capacity of temu will able to adjust to these circumstances and find ways to limit their impact has been critical to the company's success in navigating the complicated global market.

**Conclusion**

By choosing a target market, my firm will be able to invest in stocks as needed. My research strategy will also assist me in enhancing my business operations. I'll be able to make the required modifications with the aid of my decision-making tools, such as Porter's Five Forces, Pestle, and Marketing Mix, in order to prevent any conflicts in the procedure and business environment.

# P4. Explaining the legal and financial aspects of my start-up business temu

**Corporate legal structure and liability insurance**

The choice of the appropriate business legal structure and liability insurance may have a substantial effect on the success of a startup fashion company like Fashion-Fusion. The chosen legal structure will determine the extent of the business owner's personal liability in the event of financial difficulties, and liability insurance is necessary to defend the company against claims arising from product defects or other incidents that occur while the business is in operation. Putting in place the necessary safeguards may contribute to Fashion-Fusion's secure and prosperous future.

**Statutory protections for consumers**

Consumer protection regulations may impact my fashion fusion start-up in the following ways:

Consumer protection laws are essential for protecting the rights and interests of consumers in a variety of industries, including the fashion industry. As a fashion fusion start-up, I will be considering the potential effects of consumer protection regulations on your business. The following are some potential effects on your start-up:

**Advertising Guidelines:** I will be using marketing materials that will be honest and transparent. Fair return and refund procedures must be clearly communicated.

**Privacy and data protection**: I will be maintaining the confidentiality of consumer information and comply with all applicable laws. Do not violate intellectual property rights or trademarks. Compliance with these regulations increases consumer protection and confidence in my business.

There are Several laws and regulations govern employer-employee interactions; these are collectively referred to as "**employment legislation**." It is essential for fashion fusion startups to be cognizant of potential employment law implications. Here are some significant ways in which it may affect temu:

**Recruitment:** Employment regulations govern various aspects of the recruitment process, including non-discrimination, equal opportunity, and fair selection criteria. I will be ensuring that the employment practises adhere to these guidelines, treating all applicants equally and avoiding all forms of discrimination.

**Employment Contracts**: Written employment contracts specifying the terms and conditions of employment are frequently required by employment law. These agreements may address working conditions, pay, benefits, leave privileges, and disciplinary measures. It is essential to familiarise with the applicable laws and ensure that your employment contracts comply with them.

**Minimum wage and overtime pay:** Minimum wage rates and overtime pay are subject to regulation in a variety of contexts. I will be requiring to pay your employees at least the minimum wage and compensate them fairly for any overtime they perform. Ensure you comply with the local minimum wage laws.

**Working Hours and Breaks**: Employment law regulates working hours, rest breaks, and meal breaks. It is essential to be aware of the utmost daily or weekly working hours and leisure time requirements. Respecting these principles promotes the welfare of employees and prevents violations of labour laws.

**Health and Safety**: The purpose of laws governing workplace health and safety is to provide a safe working environment for employees. As a fashion fusion I will be identifying and eradicate potential hazards, provide essential safety equipment, and adhere to health and safety regulations in order to protect your employees.

**Employee Benefits**: Certain employee benefits, such as paid leave (such as vacation, medical leave, and parental leave) and health insurance coverage, may be mandated by employment regulations. Ensure that I will be providing to my employees with the required benefits by familiarising with the local regulations.

When it comes to terminating an employee's employment, employment law frequently specifies notice periods, severance pay, and equitable dismissal procedures. To effectively manage terminations and avoid legal ramifications, it is essential to comprehend these regulations. It is essential to keep in mind that employment law can vary substantially by jurisdiction. I will ensure compliance with all applicable laws and gain a better understanding of the regulations that apply to fashion fusion company by consulting with employment law specialists. By abiding by employment laws, I will be can providing your employees with a productive and lawful workplace.

**Safety and health legislation**

Essential for the protection of employees' health and safety on the job is health and safety regulation. It is crucial for fashion fusion industry startups to understand how health and safety regulations may affect their operations. Here are some significant ways in which it may affect your start-up. **Workplace evaluations:** I will be evaluating risks, workplace hazards can be identified and mitigated. Establishing and enforcing safety regulations and procedures will aid in ensuring compliance. **Training and Education**: I will ensure that employees receive adequate training on workplace hazards and safety procedures. **Ergonomics in the workplace**: I will make workplace and equipment as healthful and pleasant as feasible for employees. **Hazardous Materials and Chemicals**: Comply with handling, storage, and disposal regulations for hazardous materials. **First Aid and Emergency Planning**: I will be preparing adequate first aid supplies and emergency measures.

**Data protection statutes**

Data protection laws safeguard the privacy and personal information of individuals. As an online fashion fusion startup, you must perceive the potential effects of data protection regulations on your business. I will be discussing the data protection statutes.

**Permission and Transparency**: According to data protection regulations, individuals' explicit consent is required prior to the collection, use, or storage of their personal information. Users must be given the option to opt in or out of data collection and marketing communications, as well as explicit information on how their data will be handled, including the involvement of third parties.

**limitations on Data Collection and Processing**: Only collect and utilise personal information that is necessary for the operation of your fashion-fusion business. The acquisition of data for specific and legal purposes is frequently mandated by data protection laws. Ensure that your policies regarding the data you collect, why you collect it, and how long you retain it are crystal obvious.

**Security Measures**: Data protection laws frequently mandate the implementation of appropriate security measures to safeguard personal data from unauthorised access, disclosure, modification, or destruction. To protect the personal information you collect, you must implement encryption, secure storage, access controls, and frequent security audits.

**Data Subject Rights**: In accordance with data protection regulations, individuals have the right to view, amend, and delete their personal information. To administer these requests and ensure that people's rights are respected, procedures must be in place.

Transferring confidential information across international borders may be restricted by data protection regulations if your online fashion fusion startup operates internationally. Ensure that you comprehend the regulations regulating cross-border data transfers and take the necessary measures to comply with the law, such as utilising standard contractual clauses or reputable data transfer methods.

**Data Breach Notifications:** In the event of a data breach that endangers the rights and freedoms of individuals, data protection laws typically mandate that the affected individuals and the appropriate authorities be notified within specified timeframes. Create a comprehensive response plan for data vulnerabilities so that any security incidents can be addressed and reported promptly.

**Compliance and accountability:** Data protection laws place a heavy emphasis on accountability and require businesses to provide evidence of their compliance with the rules. Maintain ongoing compliance by keeping track of all data processing operations, conducting privacy impact analyses as required, and evaluating and updating your data protection policies and procedures on a regular basis.

It is essential to seek counsel from legal professionals or data protection specialists who are familiar with the data protection laws in your country. By abiding by data protection laws, you can gain clients' trust, secure their personal information, and demonstrate your commitment to data privacy in your online fashion fusion business.

**Environment protection legislation**-The purpose of environmental protection law is to ensure that businesses operate in a sustainable manner. As an online fashion fusion company, you should consider the possible effects of environmental protection regulations on your business. Here are some essential points to keep in mind. Environmental protection regulations may encourage the adoption of sustainable production techniques and materials. It is essential to evaluate your supply chain and ensure that the products you use are obtained ethically and with minimal environmental impact. Consider eco-friendly alternatives, such as recycled or organic materials or organic textiles, in your manufacturing processes to reduce waste.

**Waste Management and Recycling**: Often, the law mandates waste management and recycling procedures. Integrate recycling initiatives into the organization's operations, promote responsible waste disposal, and ensure compliance with recycling laws. Consider ways to reduce packaging waste and encourage recycling among consumers.

**Environmental protection legislation may encourage energy**-efficient practises. Optimise the server infrastructure, office space, and online activities to reduce your energy consumption. To lessen the impact on the environment, consider using renewable energy sources or participating in energy conservation initiatives.

**Carbon Footprint and Emissions**: In order to reduce carbon emissions, some governments have enacted laws or encouraged citizens to take voluntary action. As an online business, I will be evaluating and monitor your carbon footprint, investigate ways to reduce logistics- and transportation-related emissions, and mitigate your carbon footprint by planting trees or financing renewable energy projects, for example: Use and Disposal of Chemicals: If I am planning to use chemical then I need to ensure that fashion-fusion startup complies with laws governing their safe handling, storage, and disposal. Utilise best practises to reduce chemical residue, implement accurate labelling, and dispose of hazardous materials properly.

**Environmental Reporting and Compliance**: Environmental protection legislation may require businesses to report on their environmental impact and demonstrate compliance with applicable laws. Be prepared to provide accurate and trustworthy environmental reporting when necessary.

Environmental protection projects may include certification or labelling initiatives to identify environmentally responsible products or practises. Consider obtaining the appropriate certifications or insignia to demonstrate your commitment to sustainability and attract eco-conscious clients.

Maintain a current understanding of the local environmental protection laws and regulations. Collaborate with sustainability consultants or specialists to develop and implement eco-friendly business practises for the online fashion fusion enterprise. By placing an emphasis on environmental sustainability, I will be help to create a clearer future and attract consumers who care about the environment.

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**Definition of words**

Break-Even: A situation is said to be at break-even when all revenue and outgoing costs are equal, leaving neither a profit nor a loss. It serves as a gauge for the amount of business activity or sales required to cover all expenditures. At break-even, a business begins to make a profit after covering its fixed costs.

The movement of money into and out of a business during a certain time period is known as cash flow. It monitors the inflows and expenditures of cash connected to operations, investments, and financing. A company's cash flow indicates whether it is making more money than it is spending whether it is positive or negative. Cash flow management is crucial to ensure that there is adequate money on hand to pay for operational expenses, investments, and debt commitments.

**Financial Statement Position:** A company's financial statement position describes the overall situation of its finances at any particular time. Included are the balance sheet, profit and loss statement, and cash flow statement. The financial statement position of a business summarises its assets, liabilities, equity, sales, expenses, and cash flows, allowing stakeholders to assess the stability and performance of the firm's finances.

**Profit and Loss (P&L) Statement**: An income statement or profit and loss statement evaluates a company's financial performance over a certain time period, often a month, quarter, or year. It gathers revenues, outlays, and costs in one location and uses that information to determine the net profit or loss the firm earned during that time frame. The P&L statement may be used to assess profitability, identify growth possibilities, and make wise decisions about pricing, expenditure, and revenue sources.

**The P&L statement often has the following components**:

**Sales or revenue** refers to the total amount earned from the sale of goods or services. The cost of goods sold (COGS) refers to the direct costs paid in producing or providing the sold goods or services.

**Gross Profit (GP):** The gap between sales and cost of goods sold, which represents profitability before taking operating expenses into account. Costs associated with carrying out typical business activities, such as salaries, rent, utilities, marketing, and administrative expenses.

**Operating Income/Profit:** The sum remaining after operating expenses are subtracted from gross profit to demonstrate the profitability of the company's core operations.The sum is referred to as the net income or profit after taxes, interest, and other non-operating expenses and revenue have been subtracted.

Understanding these financial concepts and statements is crucial for assessing a company's financial performance and viability. They provide invaluable details on the profitability, liquidity, and overall financial health of an organisation

# M1 analyse the internal and external

**Internal variables**

A detailed examination of both a startup company's internal and exterior components is necessary to comprehend both its potential and the challenges it faces. The potential for growth and success of the firm is significantly influenced by these factors. Let's look at the internal and external factors that should be taken into account:

Vision and strategy: The internal principles of the start-up, such as its vision and strategy, govern its goals and trajectory. A clear and well-defined vision helps the company as a whole coalesce behind a single objective.

Teamwork and Talent: The startup's success depends on the skills, knowledge, and motivation of its team members. The team's ability and unity may have an influence on how well the company strategy is executed.

Financial Resources: Having adequate financial resources, such as finance, cash flow, and access to capital, is essential for a start-up's operations, development, and sustainability. It could be challenging to carry out plans or take advantage of opportunities if there is not enough money.

Products or Services: The uniqueness, quality, and application of the start-up's products or services establish its competitiveness. With a good value proposition and uniqueness, customers may be drawn in and a strong market presence established.

Operations & procedures: Effective and well defined operational processes are essential for a start-up to effectively deliver its products or services. More effectively operated operations help to save costs, improve customer satisfaction, and expand the business.

**External variables**

Market Conditions The state of the market as a whole, including its size, growth rate, trends, and degree of competition, will determine a start-up's likelihood of success. It may be challenging to enter a market that is already saturated or declining, but doing so in one that is growing and has few rivals might provide a sizable opportunity.

Consumer demand: It's critical to understand the needs, desires, and behaviours of the target market. A business has to identify its target market and provide products or services that meet their requirements, ease their pain, and go above and beyond their expectations.

Legal and Regulatory Environment: Every company must abide by all relevant laws, regulations, and industry standards. Startups must comprehend legal frameworks, get any necessary licences or licences, and be aware of any legal restrictions or rules that can affect their operations.

Technology Advancements: New enterprises may benefit or suffer as a result of technology developments. By accepting and using developing technology, one may acquire a competitive edge, whilst failing to adapt might lead to obsolescence.

Economic variables: Economic variables such as consumer spending power, interest rates, and inflation rates may have an impact on the demand for products and services. Startups need to be aware of economic shifts and adjust their strategy as needed.

Sociocultural Factors: Consumer behaviour and tastes may be influenced by social trends, cultural norms, and values. To ensure that their products or services are appropriate for the present social and cultural climate, startups must take these factors into account.

By examining these internal and external factors, start-ups may create effective long-term strategies, take advantage of opportunities, lower risks, and make informed choices.

# M2. Analysing financial planning for my start-up business.

In this section of the report, I'll analyses the financial statement I generated and projected for the first year of my firm. Along with the marketing mix, target market, and unique selling proposition, I will also talk about my pricing policies. For my financial and marketing strategies, I will also create some backup plans.

Pricing policy/unique selling proposition: I've noticed a big demand from people looking for cheap products with free delivery from a certain amount, which is similar to what Shein offers their customers, in the growing industry of online shopping for clothing and accessories. Therefore, with my firm, I anticipate paying £10 more than variable costs for a single product and £20 more than same-unit sales, giving me a £10 profit margin in the first six months. Due to the high demand for less expensive items, I will be able to draw in a significant portion of the marketing budget in the first years. This price will make it simpler to expand the firm quickly in its first stages.

After six months on the market, I will strive to diversify and enhance quality by increasing my variable cost of spending on a single product from £10 to £15 and raising the selling price from £20 to £25, which will leave me with a profit margin of £10. I'll strategically raise it since, during the first few months, my company had amassed a sufficient number of devoted clients and would have a solid market foundation. As soon as I reach the point where I can boost my profit margin, I'll start adding more dependable ideas like giving away free items like hair brushes and many more, much like Shien did. Along with offering free shipping inside the UK for purchases exceeding five goods and over £50, my company will do so for the foreseeable future in an effort to encourage customers to meet the program's purchase thresholds.

**Break-even prediction**:

According to my pricing strategies, I produce or purchase goods with a margin of £10 as variable cost and £20 as a selling price for the first six months, coupled with a fixed cost of £3,750, which covers pay, salary, and space rent: With 375 selling units, my company will be able to break even by the month of May. This indicates that the company's operations will be at a stage where neither a loss nor a profit will be realised. This implies that in order for the company to turn a profit, it will need to sell more than 800 units every month starting at that moment.

Due to the modification gaining a larger permease, the over break-even unit will change from 375 to 475 after six months. However, this will spur the business environment to put out great effort in order to hit these sales goals and reach break-even point even earlier than anticipated in the estimate.

**Forecasts for sales and cash flow:**

I need to raise £6,000 for my startup since I need to buy raw materials and merchandise. I'll be utilising my savings of £4,000, which means I'll need to take out a bank loan for $2000 that I'll have to repay over the course of a year. I'll run my business out of a storage facility for the first year, which will cost me around £500 per month for the first six months. As a start-up, I anticipate making $3000 in sales by selling 150 units in my first month. I anticipate that number to rise as my business develops a brand identity and successfully reaches my target audience by advertising, which should cost me between £100 and $500 per month. Based on my analysis of my secondary research on my competitors, I anticipate having high sales in the following months: July, with a target of £17,500 sales; September, with a target of £62,000 sales; and December, with a target of £125,000 sales, as these are the months when people spend the most money on clothing because July marks the beginning of the summer holidays, September marks the start of back to school, and December marks Christmas and the new year. I also intend to spend more money on marketing during these months, Additionally, this indicates possible company development beginning in July, which will enable me to get a permanent lease with a monthly payment of £1000. As a start-up, I would be handling the majority of the tasks like purchasing stock, processing stock, advertising, and so forth by myself. I am thus seeking to engage an employee as a helper on a zero hours contract for the first six months at a pay rate of the minimum national wages. After six months, I will give my employee a permanent contract with a pay rate that is 20% more than the minimum salary in the country, increasing their responsibilities.

**Financial situation statement and projected income statement for the trading period:**

My firm will be valued around £188,750 in a year based on my projected revenues and the money I spent. Annual net profit before taxes for my company is expected to be £69,920. I want to retain £20,000 in cash on hand as a down payment for future big purchases of products that will be purchased immediately. I'll create a £10,000 credit limit for creditors and a £15,000 overdraft that must be paid back following the month of the actual purchase. After a year, my net assets will be worth around £180,000, and my working capital will be about £39,000.

My company will be able to produce yearly sales of £225,250, and we anticipate a gross profit of £131,660 from those sales. The firm will be able to make a net profit of £69,920 after all costs, including employees, loan charges, and utilities.

Target market: In my study, I have discovered that the majority of firms in the same industry target various demographics at various times of the year. As a result, my target demographic will alter since I'll be targeting families in July, when summer vacations officially begin, by introducing matching and discounted professional clothing. As 85% of the student market in the garment sector falls between the 16 to 24 age range, I will start focusing on this demographic in September. I chose September since it is the beginning of a new semester, and most students look forward to purchasing new attire for their institutions during these months. Additionally, December will be the month I target all age groups since it is a month when sales may be quite unexpected.

Advertising mix

1. Product: My company will sell a variety of fashion goods, such as apparel, footwear, accessories, and beauty products. Our merchandise is renowned for its low costs, cutting-edge styles, and rapid fashion approach, appealing to youthful, fashion-conscious customers.

2. Price: In order to make fashion accessible to a wider audience, my firm will concentrate on providing competitive and reasonable pricing. They routinely run deals, promotions, and discounts to attract clients and instill a feeling of urgency about making a purchase.

3. Setting: Customers will be able to effortlessly purchase from my company's website or mobile app since it will function as an e-commerce platform. They have a worldwide presence and transport their goods abroad to serve clients from other nations.

4. Promotion: To advertise its brand and goods, my company will mostly use digital marketing techniques. They use influencer marketing to promote their goods and reach a larger audience by working with well-known social media influencers. Additionally, they use social media sites like Instagram and TikTok to interact with their target audience and spread word about their company.

5. People: Customer connection and engagement will be a priority for my business. Customers may explore and buy with ease because to the user-friendly interfaces on both our website and mobile app. To provide a great client experience, they have a dedicated customer support staff to address questions, comments, and complaints.

6. Procedure: My company's website and mobile app will provide a smooth buying experience. Customers may buy products fast and simply thanks to the simplified ordering and payment procedures. To guarantee that items are delivered on time, they also put a strong emphasis on effective shipping and logistics.

7. Physical proof: Because much of my business will be conducted online, physical proof in the conventional sense won't be a big deal. However, they place an emphasis on the presentation and quality of their items via in-depth product photos, client testimonials, and ratings, offering virtual proof to foster client confidence.

The overall focus of my company's marketing mix will be on providing fashionable and reasonably priced fashion items via an approachable online platform, using digital marketing techniques, and collaborating with influencers to sell their brands and improve customer experiences.

**Financial and marketing backup plans for the selected company:**

For a start-up microbusiness to be ready for unforeseen occurrences or changes in the enterprise environment, contingency planning is essential. The following factors should be taken into account while creating financial and marketing backup plans:

Planning for Financial Emergencies:

Emergency Fund: I'll have a financial reserve on hand to pay for unanticipated costs like equipment repairs, inventory losses, or unplanned interruptions.

Other financing Sources: In order to have access to money during difficult times, my company will investigate other financing sources like lines of credit, business loans, or crowdsourcing platforms.

Strategies for Cost Reduction: My company will also pinpoint areas where expenses may be minimized or cut without sacrificing effectiveness or client happiness. This can include revising supplier agreements, optimizing processes, or putting cost-cutting initiatives in place.

Planning for Marketing Emergencies:

Marketing Channel Diversification: Relying on only one marketing channel might be dangerous. Additionally, my company will create a varied marketing plan that incorporates conventional marketing techniques, influencer partnerships, social media marketing, email marketing, and internet advertising.

consumer segmentation: To lessen dependency on a single target audience, we will identify and target several consumer categories. This makes it possible to have a larger consumer base and lessens the effects when one section faces a slump.

Customer engagement will be our main priority, and we'll do this by providing our clients with individualized experiences, first-rate customer support, and efficient communication. This may encourage client loyalty and encourage favorable word-of-mouth recommendations.

The effect of your microbusiness's financial and marketing activities:

A fresh start-up apparel microbusiness may profit from financial and marketing activity in a number of ways. Here are a few significant benefits:

Making decisions: Financial statements, such as the cash flow statement, balance sheet, and income statement, give essential information that supports your decision-making. You may evaluate your company's financial situation by looking through these statements, identifying its strong and weak points, and making informed strategic decisions.

Budgeting and planning: You can make efficient budgets and establish objectives by using financial statements. Businesses may predict future sales, costs, and cash flows by evaluating the past financial information of their rivals. This aids in the creation of a clear business strategy and the effective allocation of resources, assuring the financial viability of your start-up.

Attracting investors and lenders: To assess the feasibility and possible rewards of investing in your firm, prospective investors and lenders often want financial statements. Financial statements that are accurate and properly produced show transparency and instill trust in your startup. They help external stakeholders make decisions by providing important information about your profitability, liquidity, and financial condition.

Financial accounts provide you the capacity to assess the profitability and sustainability of your small-scale apparel company. The income statement allows you to evaluate revenues, expenses, and net income. You may assess the profitability and potential for long-term profit growth of your company by calculating important financial ratios and measures including gross profit margin, operating margin, and return on investment.

Financial statements may provide important information about the marketing and financial success of a fresh start-up clothes microbusiness. There are a few restrictions to be aware of, though:

Limited historical data: It might be difficult to create relevant financial statements for start-up enterprises since they sometimes have a short working history. It might be difficult to evaluate trends, patterns, and long-term financial sustainability without enough historical data.

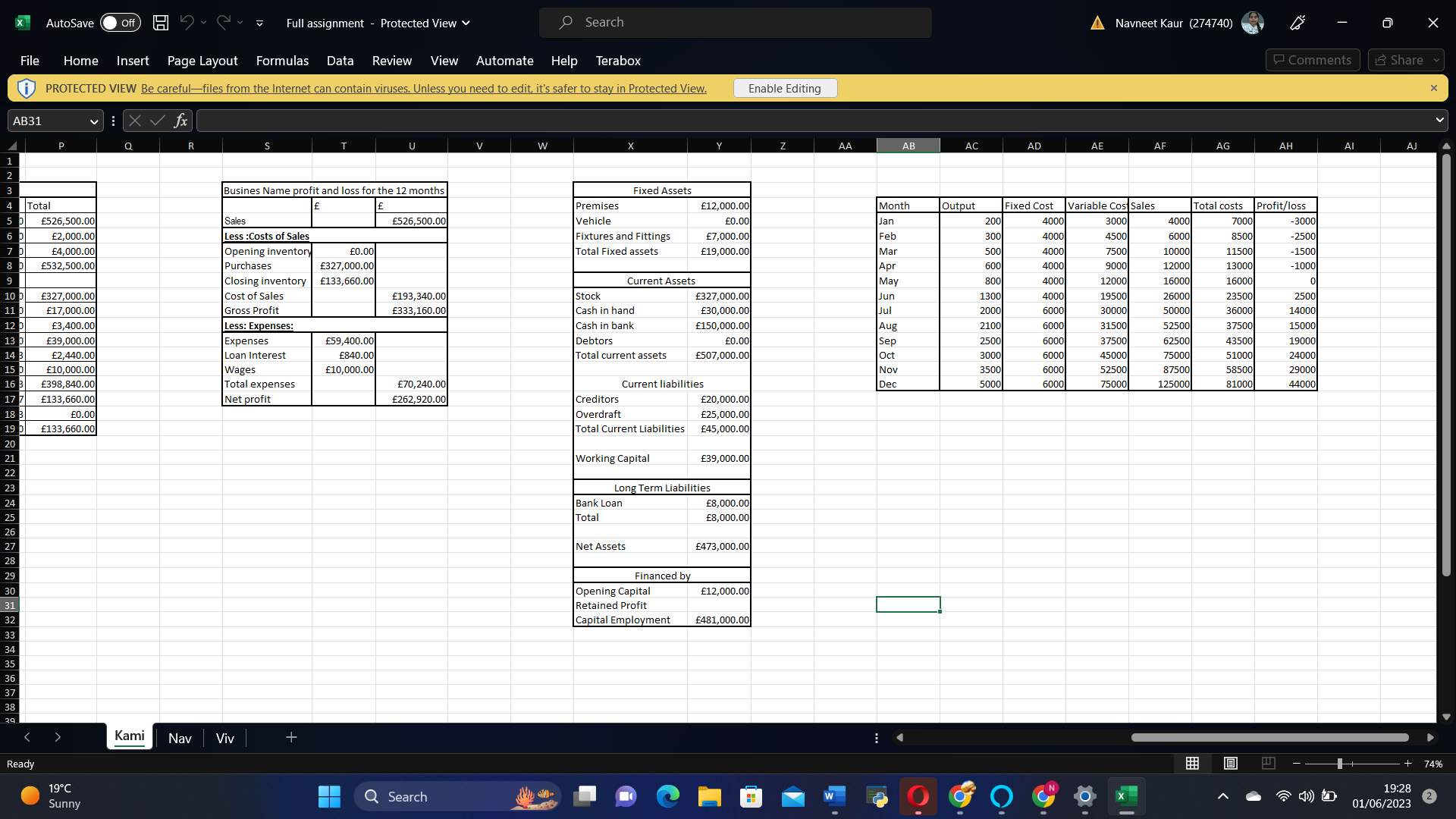
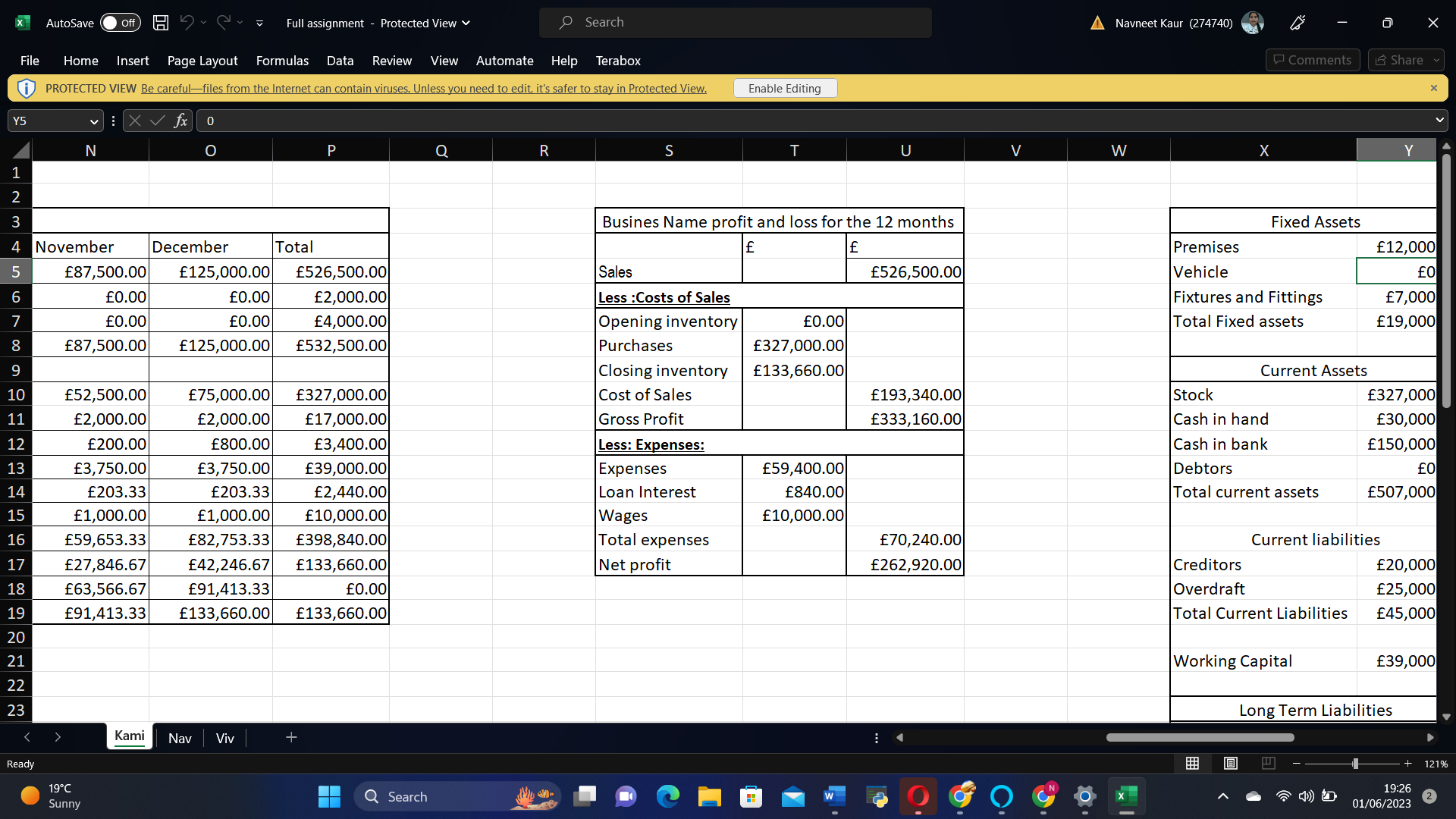
Lack of comparability: Startups may not have established competition or industry benchmarks to compare their financial statements against. Due to this, determining performance in comparison to industry norms and determining the company's position in the market is more difficult.

Estimating future forecasts is challenging: Since start-ups often function in dynamic and unpredictable situations, it might be difficult to predict the future financial performance with accuracy. Traditional financial statements tend to concentrate on past data and may not sufficiently reflect the particular possibilities and difficulties that new enterprises confront.

Limited disclosure obligations: Start-ups may not be subject to the same stringent reporting and disclosure requirements as bigger, publicly listed enterprises. This may lead to financial statements that are less thorough and may not be as transparent or full as necessary for a thorough review.

Non-financial factors: Financial statements tend to focus on quantitative data while ignoring crucial qualitative components of a start-up's success, such as the calibre of the team, the reputation of the brand, the potential of the market, and innovation. These non-financial aspects are essential when assessing the general wellbeing and future prospects of a start-up.

Financial accounts are crucial for a new start-up clothes microbusiness, in conclusion. They support decision-making, budgeting, planning, investor recruitment, performance assessment, compliance, and financial transparency. You may successfully manage the financial affairs of your start-up and put it on the road to success by making use of the financial statement insights.



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# D1 Evaluating the internal and external factors

Internal and external factors play a significant role in shaping the success and growth of companies like Temu. Understanding the advantages and disadvantages of these factors can provide insights into how they influence Temu's operations and overall performance. Here, I will be evaluating the pros and cons of the internal and external factors influencing a fledgling business:

**Internal Factors:**

**Advantages:**

**Strong Brand Identity**: Temu will built a powerful brand image over the years. Its brand will associate with reliability, convenience, and a wide range of product offerings. This will be strong brand identity for temu to be competitive edge and attracts a loyal customer base.

**Technological Infrastructure:** Temu will be developing robust technological infrastructure, including its cloud computing platform, Amazon Web Services (AWS). This infrastructure enables efficient operations, scalability, and innovation, giving temu a significant advantage over competitors to attract more customers.

**Customer-Centric Approach:** Temu's will be relentless focusing on customer satisfaction is a key internal advantage. By prioritizing customer needs and preferences, temu will be able to provide personalized recommendations, fast delivery, and excellent customer service, fostering customer loyalty and positive word-of-mouth.

**Diverse Product Portfolio:** Temu offers an extensive range of products, including books, electronics, household items, and more. This will diverse product portfolio allows temu to cater to various customer segments, expanding its market reach and revenue potential.

**Operational Efficiency**: Temu will be mastered of the art of efficient inventory management, warehousing, and distribution. Through advanced logistics and supply chain management, temu can deliver products quickly and accurately, reducing costs and improving customer satisfaction.

**Disadvantages:**

**Employee Management**: With its massive scale and rapid growth, temu will face some of the challenges related to managing its workforce effectively. Issues such as employee burnout, high turnover rates, and criticism of labour practices have raised concerns about temu's treatment of its employees.

**Overdependence on Online Sales**: While Temu's dominance in e-commerce is a strength, it also presents a vulnerability. Relying heavily on online sales will make temu susceptible to disruptions caused by technological issues, cyber-attacks, or changes in consumer behaviour.

**Counterfeit Products**: The vast marketplace on temu will attracts a significant number of third-party sellers. This will lead to challenges in monitoring and preventing the sale of counterfeit or low-quality products, which can damage temu's reputation and customer trust.

**Regulatory Scrutiny**: As a global company, temu will might operates in multiple jurisdictions, subjecting it to various regulatory frameworks. Increased scrutiny and regulations related to issues like antitrust concerns, data privacy, and tax compliance can create compliance challenges and potentially impact temu's business operations.

**Negative Public Perception:** Temu's size and influence will made it a target of criticism regarding issues like labour practices, environmental impact, and market dominance. Negative public perception can lead to reputational damage and potential boycotts from consumers.

**External Factors:**

**Advantages:**

**Growing E-commerce Market**: The continuous growth of the e-commerce market globally provides a favorable external environment for temu. As more consumers shift to online shopping, temu will might capture a larger market share and benefit from increased demand.

**Technological Advancements**: Advancements in technology, including mobile devices, artificial intelligence, and voice assistants, present opportunities for temu to innovate and enhance the customer experience. Temu will quickly adopt these technologies, giving it a competitive edge.

**Global Expansion Opportunities**: temu's global presence will allow it to tap into new markets and benefit from emerging economies. Expansion into countries with a growing middle class provides access to a larger customer base and potential revenue growth.

**Strategic Partnerships**: Collaborations and partnerships with other companies can provide temu with access to new technologies, distribution networks, or complementary product offerings. Strategic alliances help temu to strengthen its position in the market and expand its reach.

**Data-driven Insights:** temu will collect vast amount of customer data, which allows it to analyse consumer behaviour, preferences, and trends. These data-driven insights help temu to personalize recommendations, optimize inventory management, and enhance overall customer satisfaction.

**Disadvantages:**

**Intense Competition**: temu will be operating highly in competitive markets, facing competition from both traditional retailers and online platforms. Competitors like Walmart, Alibaba, and shein pose significant challenges, forcing temu to continuously innovate and invest in maintaining its competitive edge.

**Supply Chain Disruptions**: External factors such as natural disasters, political instability, or global economic downturns can disrupt the global supply chain, affecting Amazon's inventory management and timely delivery. Such disruptions can result in increased costs and customer dissatisfaction.

**Price Pressure**: Temu's pricing strategy, will aimed at providing competitive prices, that can lead to margin pressure. Competitors and pricing algorithms can drive down prices, impacting profitability, especially in highly price-sensitive markets.

**Legal and Regulatory Challenges**: Operating in multiple countries exposes temu to varying legal and regulatory frameworks. Compliance with local laws, taxes, and regulations can be complex, requiring significant resources and potentially impacting profitability.

**Geopolitical Risks:** temu's global operations will make it vulnerable to geopolitical risks, including trade disputes, changes in trade policies, or geopolitical tensions. These risks can impact the flow of goods, introduce trade barriers, and disrupt temu's supply chain and operations.

# D2. Evaluate advantages and disadvantages internal and external.

I will be examining the pros and cons of startup business internal factors such as human performance issues, human dishonesty, technological issues, and physical factors:

**Human Performance Problems: Benefits**

Identification of Improvement Opportunities: Recognising human performance issues enables the startup to identify improvement opportunities and implement measures to boost employee skills, motivation, and productivity. Performance Optimisation: Addressing performance issues through training, feedback, or performance management systems can result in increased productivity, output quality, and customer satisfaction. Team Development: Overcoming obstacles in human performance can promote teamwork, collaboration, and the overall growth of a competent and motivated workforce.

**Disadvantages:**

Reduced Productivity and Efficiency, Human performance issues can contribute to decreased productivity, missed deadlines, and decreased efficiency, resulting in project completion delays and potential revenue loss. Negative Effect on Team Morale, Persistent performance issues can have a negative effect on team morale, causing dissatisfaction and demotivation among employees, which may further reduce productivity and increase employee turnover rates. Allocation of Resources, addressing human performance issues may necessitate investments in training programmes, counselling, or performance management systems, resulting in added startup expenses.

**Human dishonesty's benefits:**

Establishing a Reputation for Integrity and Trustworthiness, by maintaining a zero-tolerance policy for dishonesty and unethical conduct, entrepreneurs can establish a reputation for honesty and reliability, which can attract consumers and investors. Improved Internal Controls, dealing with human dishonesty prompts the implementation of stronger internal controls, policies, and procedures, thereby reducing the risk of future fraudulent activity. Addressing human dishonesty emphasises the significance of cybersecurity, data protection, and risk management, resulting in the deployment of more stringent security measures to safeguard the startup's assets.

**Disadvantages:** Financial Losses: Incidents of human dishonesty, such as larceny or fraud, can result in significant financial losses for the startup, putting its financial stability and long-term viability in jeopardy. Reputational Harm, Instances of human dishonesty can harm a startup's reputation, erode customer trust, and have a negative effect on brand image, resulting in decreased customer acquisition and retention. Legal Consequences, Human dishonesty can result in legal repercussions, such as litigation, regulatory penalties, or criminal accusations, which can be time-consuming, expensive, and detrimental to the operations of the start-up.

**Technological Aspects: Benefits**

Innovation and Competitive Advantage: Addressing technological issues can spur innovation within a startup, resulting in the adoption of cutting-edge technologies, process automation, and enhanced products or services, which provides a competitive advantage. Increased Efficiency and Cost Savings; By resolving technological issues, entrepreneurs are able to optimise operations, consolidate processes, reduce manual labour, and realise cost savings through increased efficiency. Enhanced Data Security; Addressing technological issues associated with data security strengthens the startup's ability to secure sensitive information, mitigate cybersecurity risks, and comply with regulations, thereby protecting the company's reputation.

**Disadvantages:**

Technological issues, such as system malfunctions or software bugs, can disrupt operations, resulting in outages, dissatisfied customers, and potential revenue loss. Financial and Resource Burden; Resolving technological issues may necessitate substantial investments in hardware, software, IT infrastructure, or specialised knowledge, straining the startup's financial resources. Learning Curve and Adaptation: Overcoming technological issues frequently necessitates employee adaptation to new technologies or processes, which can entail a learning curve and possible resistance to change.

**Advantages:**

**Economic Factors**

Market Opportunities: Favourable economic conditions, such as high consumer expenditure, a growing market, or increased demand for specific products or services, allow a startup to enter the market and achieve growth. Positive economic factors, such as a resilient investment climate, favourable interest rates, or government support programmes, can increase the availability of funding options for businesses, thereby facilitating their capital-raising efforts. Cost-Efficiency: During economic downturns or in regions with lower production costs, businesses may benefit from lower operating costs, such as lower rent prices, affordable labour, or less expensive raw materials.

**Disadvantages:**

Market Volatility: Economic factors, such as recessions, market fluctuations, or changes in consumer purchasing patterns, can introduce uncertainty and difficulties for businesses, making it difficult to anticipate market demand and plan for expansion. Reduced Consumer Spending: Economic downturns or recessions may reduce consumer purchasing power, resulting in decreased demand for non-essential products or services, which can have a negative effect on a startup's revenue. Difficulty Obtaining Financing: Difficult economic conditions can make it more challenging for entrepreneurs to obtain funding from investors or financial institutions, as risk aversion tends to increase during economic instability.

**Positives:**

**Political Factors**

Favourable Government Policies: Favourable political factors, such as government initiatives, tax incentives, and deregulation efforts, can create a favourable business environment for entrepreneurs by reducing regulatory burdens and fostering growth. Access to New Markets: Political factors, such as international trade agreements or political stability in foreign markets, can create new opportunities for businesses to expand internationally and gain access to a larger customer base. Industry-Specific Support: Governments may provide targeted support to specific industries or sectors through grants, subsidies, or research and development programmes, thereby creating favourable conditions for businesses operating in those industries or sectors.

**Disadvantages:**

Regulatory Obstacles: Political factors, such as complex regulations, bureaucratic red tape, and inconsistent policies, can create entry barriers and increase compliance costs for entrepreneurs, thereby impeding their operations and growth. Political Instability: Unstable political environments, frequent changes in government policies, and political unrest can introduce uncertainty, disrupt business operations, and increase risks for entrepreneurs, especially those in sensitive industries or emerging markets. Political Interference: Excessive government intervention, corruption, or favouritism can create an uneven playing field, restricting equitable competition and limiting the growth potential of entrepreneurs.

**Advantages**

**Natural Elements**:

Resource Availability: Natural factors, such as the availability of raw materials, energy sources, or natural amenities, can provide businesses with cost advantages or distinctive selling points in their respective industries. Growing awareness of environmental issues and sustainability can create market opportunities for enterprises that offer eco-friendly products or services, positioning them as environmentally responsible and attracting environmentally conscious consumers. Innovation and Adaptation, there are some Natural factors, such as climate change or natural disasters, can drive innovation and the development of solutions that address environmental challenges, providing opportunities for entrepreneurs to create value via innovative products or services.

**Disadvantages:**

Physical Risks and Disruptions: Natural factors, such as severe weather, earthquakes, and wildfires, can pose physical risks to startup operations by causing damage to infrastructure, disruptions to supply chains, and production halts. Environmental regulations or conformance requirements relating to natural factors, such as emissions controls or refuse management, may increase operational costs for firms, particularly those with resource-intensive processes. Uncertain Market Demand and Natural factors, such as seasonal fluctuations or climate-related changes in consumer preferences, can introduce uncertainties and fluctuations in market demand, creating difficulties. (Sherman, 2019)

**Conclusion**

My pitching business will be a great success because of its online platform, which will cover the entire market and be able to draw the target market since the age group in the target market primarily purchases clothing online, according to Porter's 5 Forces, 7 Ps, and Pestle analysis, along with financial factors, internal, and external factors. Another significant benefit is that, barring neglect on the part of the owner, the apparel industry never goes out of style. My forecasted sales indicate a sizable revenue that will still be lucrative even if some numbers turn out to be incorrect.

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