

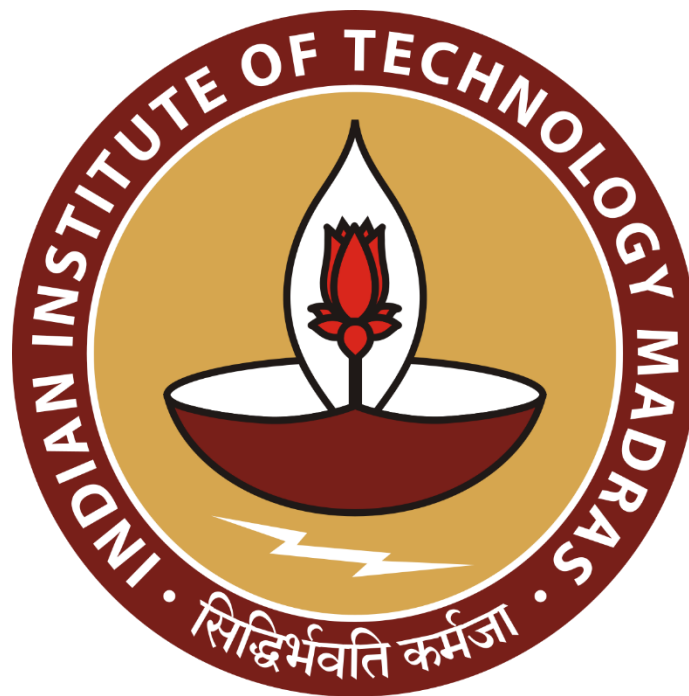
Navigating the Challenges of Operating a Ready-to-wear Clothing Store

A Proposal report for the BDM capstone Project

Submitted by

Name: Sure Siri

Roll number: 22F3001809



IITM Online BS Degree Program,

Indian Institute of Technology, Madras, Chennai

Tamil Nadu, India, 600036

Contents

- 1 Executive Summary and Title
- 2 Organization Background
- 3 Problem Statement
- 4 Background of the Problem
- 5 Problem Solving Approach
- 6 Expected Timeline
- 7 Expected Outcome

Declaration Statement

I am working on a Project titled “**Navigating the Challenges of Operating a Ready-to-wear Clothing Store**”. I extend my appreciation to **Divya Fashions** for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.

Signature of Candidate: *siri*

Name: Sure Siri

Date: 02-September 2023

Does this proposal discuss a business problem?

Yes

1 Executive Summary and Title

The project focuses on a Ready-to-wear clothing Showroom “Divya Fashions” located near Clock Tower, Sattenapalli, Guntur district in Andhra Pradesh. This is a small retail business that sells fashionable clothes from start to end. The business is B2C and deals in the unorganized sector.

The major business issues that the organization is facing are:

1. Continuously losing profit due to dead stock.
2. Uncertainty in decision making by clients between Branded and Non-branded clothes.

The issues will be addressed by analyzing the data via the following different analytical approaches to obtain a fruitful outcome:

1. Finding a relationship between the price fluctuations and their factors based on their sales and revenue data.
2. Finding the relationship between the client's preferences and its factors.
3. Analyze the data to identify business problems and use problem-solving methods, good recommendations to get a good revenue, data analysis, and tools to address them.

The expected outcome helps the organization:

1. To foresee the material prices to maximize the monthly revenue.
2. To realize a pattern of client's preferences.

2 Organization Background

Name: Divya Fashions

Owner: Mr. Narendra Kumar

Address: D-2, Clock tower center, Main Road, Sattenapalli, Andhra Pradesh.

1. Divya Fashions is a small retail shop that specializes in the sale of daily wear clothes from start to end. The shop is owned by S. Narendra Kumar and his family. They started their shop in September 2017 and have been in

business for 7 years and the owner of the shop put a total of 35 lakhs for the entire store and the merchandise.

2. They offer a wide variety of clothes including both branded and non-branded clothes. The price varies highly in the case of branded clothes. The monthly revenue varies according to festivals. They sell all variety of clothes for both male and female including under-Garments, apparels etc.



3.

Picture of the shop

3 Problem statement (Listed as objectives)

From my interaction with the owner of the store and some general observation of the store from quite a long time, I found out that the store has managed to build a good customer relation base, and also has managed to get somewhat good sales, But the shop is experiencing two main challenges.

1. The shop is not performing up to expectations when it comes to net profit due to dead stock.

2. Daily Fluctuations of clothes: The store encounters unpredictable fluctuations in the availability and pricing of clothes, hindering their ability to plan the new stock efficiently and leading to potential delays and increased costs, which can cost a lot of money to the business.

Hence problem statement can be comprised of the following:

1. Optimization of the inventory, i.e., analyzing the store inventory using sales and intake.
2. Analyzing the net profit margin and steps to increase the same.
3. How to increase reach if required by comparing store performance from its competitors.

4 Background of the Problem:

Problems:

1. Expenditure is more than revenue, and due to dead stock, the shop is facing more losses.
2. Uncertainty in decision making by clients about branded clothes.

After a long chat with the owner, it seems like the store was doing great before online shopping became popular. Unfortunately, due to the COVID lockdown, many customers switched to online shopping because of the discounts and convenient home delivery.

Major cause of problems:

1. The shop that's in need of more space to display its merchandise. Unfortunately, some of the inventory has not been selling and has been taking up space on the shelves for an extended period, causing overcrowding. This has made it challenging for the customers and the workers to manage the inventory effectively.
2. Transportation and Logistics Costs: To try and generate more revenue, the owner has rented small Godowns to store new stock for the festival season. However, the need to travel to the Godowns and back is inconvenient for the customers and as well as for the employees, leading to a decrease in foot traffic. With fewer customers coming to the shop, sales have decreased, leading to a financial loss.

5 Problem Solving Approach

To gather data from the organization, I'll directly chat with the executives and ask about their businesses. Since the place is nearby and owned by someone I know, I

plan to personally interview them to learn about the challenges they face in their businesses.

Details of the methods used with justification:

1. To collect the data, direct unstructured interviews and personal interaction are a suitable option and are a great way to collect data.
2. Going to record those unstructured interviews using digital stuff, like recording devices.
3. Once I've got all the data, I'm going to format it to fit the analysis needs.
4. Data will be tabulated and interpreted with the help of pie-charts, bar graphs, histograms, tables and Chi-square and correlation.
5. Based on the interpretations, discussions will be held, and the research will be concluded stating the implications of the study.

Details about the intended data collection with justification:

1. Schedules were prepared for the data collection. The establishment is contacted during the office hours.
2. All the data collected will be tabulated using spreadsheets.
3. The variables I'll be collecting are
 - Monthly sales data
 - Selling Price
 - Monthly revenue data

Details about the analysis tools with justification:

For analyzing this study, we'll be rocking MS-Excel and Google Spreadsheets.

Going to tidy up the data and make it look nice before diving into the analysis.

I am going to use Excel and Spreadsheets to create cool graphs, pivot tables, and pie-charts.

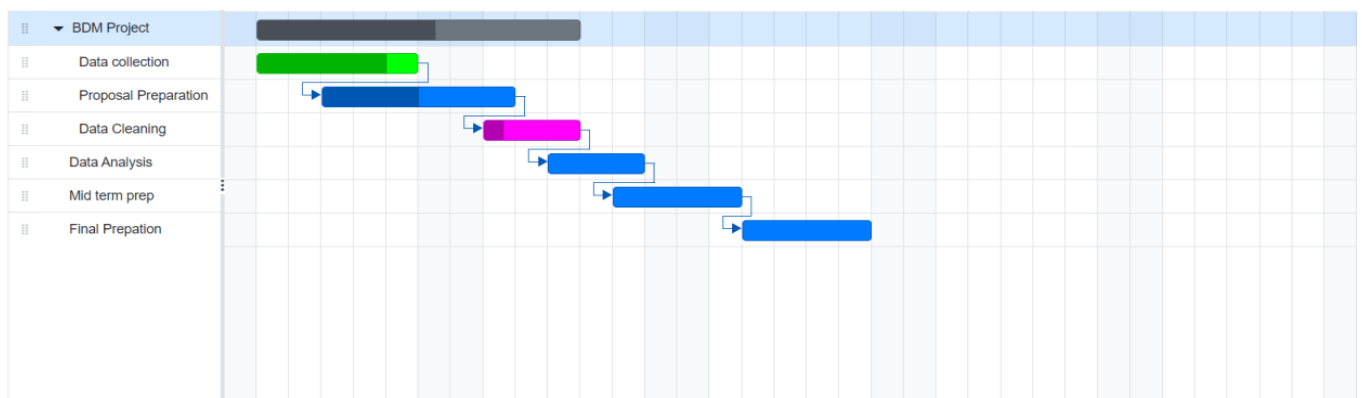
Digging into factors affecting the organization's business using Chi-square and correlation. And the final report, I'll solve it out using Microsoft Office tools.

6 Expected Timeline:

Had talked with the owner, and I will be planning to collect over the last 6 months of data, which will be cleaned and analyzed.

Work Break-down Structure:

- Proposal submission on 7th September 2023.
- Collection of data 6th, 7th September 2023.
- Analysis of the data & Problem identification 7th September to 9th September 2023
- Problem identification 9th, 10th September 2023
- Mid submission on 10th September 2023
- Solution Generation 10th September 2023 to 13th September 2023.
- Final submission on 15th September 2023.



Gantt Chart

7 Expected Outcome

- Better inventory planning and better price tracking of materials.
- Suggest a business plan to increase the profit margin and solve the above-mentioned problems.