

Velocity Sneakers

Nothing can stop the run

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Velocity Sneakers

Business Plan

1. EXECUTIVE SUMMARY

1.1 Problem Statement

An offline sneakers seller wants to go online for incremental sales. How does he ensure fast delivery, attractive pricing, and at the same time achieve increased sales and profitability? The key challenge is that the sneakers seller faces are

- Develop an attractive and user-friendly website/app where sneakers are sold
- Getting online users to visit the website
- Setting up the logistics and delivery chain for quick dispatch and returns

1.2 Our Solution

- Develop the e-commerce website (frontend and backend) where users can order sneakers to get the initial online customers' heavy promotion of the website at the offline stores.
- Any customer who visits the offline store will see advertising for the online site.
- An initial promotional discount of 10% can be provided online to get online sales started
- Delivery and returns will be free
- Attractive videos using influencers will be made and put up on the website
- High-end photographers will be used to create attractive pack shots of the sneakers
- Try and buy feature will be introduced

2. COMPANY DESCRIPTION

2.1 Company Structure and Description

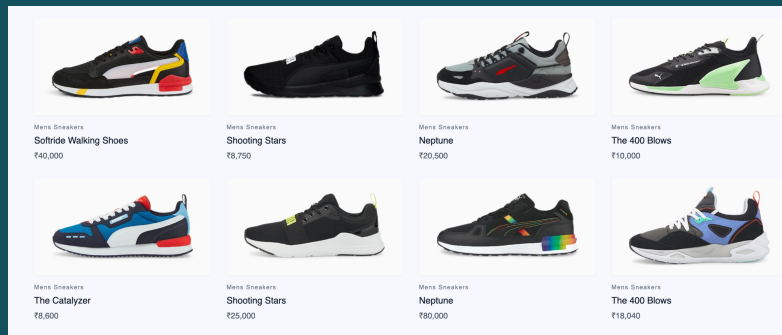
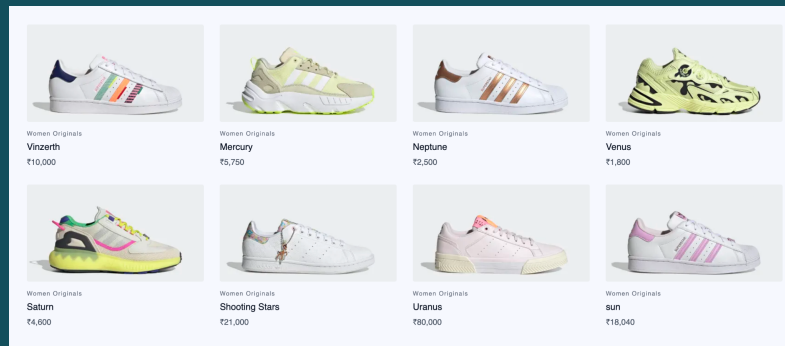
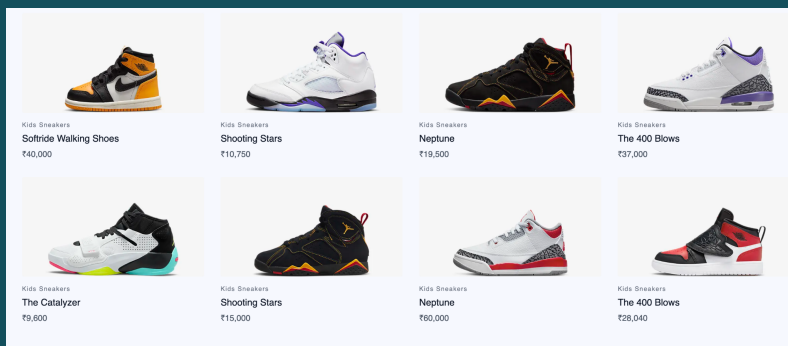
Velocity Sneakers is a reputed sneaker manufacturer which has 30 outlets across Delhi. Now the company is setting up an e-commerce design to sell sneakers online pan India. Along with selling sneakers online through their website, Velocity Sneakers will also list their products on amazon, Flipkart, Myntra, etc.

2.2 Mission Statement

We aim to highlight the main objective of our company through our mission statement: “to be the most preferred, value for money, casual sneakers in the country ”

3. PRODUCT DESCRIPTION

Velocity Sneakers is a reputed sneaker manufacturer which has 30 outlets across Delhi. Now the company is setting up an e-commerce design to sell sneakers online pan India. They make casual, trendy, comfortable sneakers for targeting the youth at an affordable price point. The products are available for men, women and kids.



4. MARKET ANALYSIS

4.1 Market Potential

Velocity Sneakers operates in a haggling competitive market with many global brands like Nike, Adidas, Puma, etc as competition. There is also significant cutthroat price competition among the top brands. Currently, Velocity Sneakers has its retail outlets only in the NCR with a successful e-commerce launch. They can have a pan-India market.

4.2 Competitive Analysis

FEATURES	NIKE	ADIDAS	PUMA	VENDRAW SNEAKERS
Long Lasting	✓ ✓	✓	✓	✓ ✓
Comfort	✓	✓ ✓	✓	✓ ✓ ✓
Design Attractiveness	✓ ✓ ✓	✓ ✓	✓	✓ ✓ ✓
Light Weight	✓	✓	✓ ✓	✓ ✓
All weather	✓	✓ ✓	✓ ✓ ✓	✓
Price	✓	✓	✓ ✓	✓ ✓

Velocity Sneakers is a local, Indian, home-grown manufacturer. It understands the needs of its target audience a little better. For example, Indian people walk more and run less, the sneakers are accordingly designed for long-lasting walking comfort.

4.3. Feedback and Improvement

We will have a prompt online chat section at a later stage to resolve customer queries and gather vital feedback about the product and delivery experience. This section will be available 12 hours a, 7 days a week and will be serviced by customer service agents.

5. MARKETING PLANS

5.1 Company objectives

To be the most preferred, value-for-money, casual sneakers in the country with the quickest online delivery service.

5.2 Branding

We would like to be a mass aspirational and top-of-mind recall, footwear brand in the country. We will never discount too heavily as that makes the brand perception poor. Our role mode, as far as branding is concerned, is Apple. We will have key celebrities as brand ambassadors to develop the Velocity Sneakers brand.

VS

5.3 Priorities as a brand

- To be the most preferred, value-for-money, casual sneakers in the country
- User friendly
- Smooth UI and UX
- Having the best offers and deals on payments made

5.4 Marketing strategy

1. We will use online affiliates to drive traffic to our website and app
2. S.C.O and S.E.M will also be used
3. Display ads will also be used
4. Social media like Instagram, Facebook, and Snapchat will also be used for advertising
5. Influencers will be actively used to promote the brand

5.5 Future Projections

We will have a subscription loyalty programme after 1 year giving additional discounts to repeat customers.

We will have a “replace your old sneakers with a new pair of sneakers programme

We may also launch a try and buy programme

Along with sneakers, we may also branch out into other accessories like socks, sneakers polish, sandals, etc

6. FINANCIAL PLAN

6.1 Seed-Funding

We will approach prominent, angel investors such as Kunal Shah, Yashish Dahiya, Vijay Shekhar Sharma, etc and venture capital funds such as Secoya, Lightspeed, and Saif, to raise 1 million dollars at a company valuation of 5 million dollars

6.2 People

PEOPLE (10% increment every year)	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Programmers	3	5	7	9
Cost per year (Rs. 12lakhs per year)	3600000	6600000	10164000	14374800
Marketing	2	3	4	5
Cost per year (Rs.18lakhs per year)	3600000	5940000	8712000	11979000
Finance	1	2	2	3
Cost per year(Rs. 12lakhs per year)	1200000	2640000	2904000	4791600
Customer Service	2	5	8	10
Cost per year(Rs. 6lakhs per year)	1200000	3300000	5808000	7986000
Logistics	2	4	6	8
Cost per year(Rs. 6lakhs per year)	1200000	2640000	4356000	6388800
CEO	1	1	1	1
Cost per year(Rs. 50lakhs per year)	5000000	5500000	6050000	6655000
Operations	2	5	8	10
Cost per year(Rs. 8lakhs per year)	1600000	4400000	7744000	10648000
Human Resources	1	2	3	4
Cost per year(Rs. 8lakhs per year)	800000	1760000	2904000	0
Total count	14	27	39	50
Total cost	18200000	32780000	48642000	62823200

6.4 Costs And Profit/Loss

REVENUE	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Average price per shoe (Rs)	2500	3000	3500	4000
Daily sale quantity	150	250	400	750
Yearly sale quantity	54750	91250	146000	273750
Yearly revenue (Rs)	136875000	273750000	511000000	1095000000
Direct Cost per shoe (Rs)	2000	2200	2500	2700
Indirect cost per shoe (Rs) (Indirect costs include people cost, delivery cost, return cost, marketing cost, warehousing cost, etc)	500	600	700	800
Profit/loss per shoe	0	200	300	500
Total profit/loss	0	18250000	43800000	136875000