
QUESTIONNAIRE ...

The first stage of writing a business plan is gathering information and thinking through the whole process of the start-up of your business.

Hereafter, you will find a number of questions. Do not answer them one by one, but try to write down a logic and coherent story. Make sure you answer all these questions as detailed and concrete as possible.

- Who are you and what do/did you do?
- What do you want to do? Describe the **main idea** of your project in approximately 10 lines.
- Who is your ideal end-consumer? Who do you **design for**?
- In what **price range** do you situate the collection? Give some concrete examples of players operating within the same price category.
- Name some (concrete) **goals** you are aiming for.
- Who or what is your main source of **inspiration**? Give some concrete examples.
- Are there **other players** offering a similar concept?
- What are **your assets** compared to other players?
- Which characteristic diversifies you from other players? **What makes you unique** and why?
- How will you **communicate** this uniqueness/strength towards end consumers/customers/press?
- How will you **translate your image** in your communication plan using different kind of media?
- How will you **present** your collection? During fashion weeks, in shops, through exhibitions, showroom, presentations, fairs etc...?
- How will the **company** be **organized**? Who is involved? Who will take decisions? Which legal form will you use? Will you be self-employed or will you set up your own business (e.g. limited company, limited liability company ...)?
- Give a complete **overview** of the **reactions** on your work. List some (concrete) examples of awards you won, press attention, etc...
- How will you organize the **distribution**? Which distribution channels will you use? Multibrand stores, own stores, internet, etc...
- Did you already have contact with **potential customers**? How do or will you contact them? How will you convince your customers to buy your collection (sales strategy)?
- Do you already have concrete plans concerning the **production of your collection**? If yes, mention who is a potential production partner and why. If not, you can look for inspiration in the Belgian Designer Partners- list (contact FFI).
- Do you already have concrete plans concerning the **production of textiles**? If yes, mention who is a potential production partner and why. If not, you can look for inspiration in the Belgian Designer Partners- list (contact FFI).
- How will you **organize** your **activities** in order to deliver in time? Give a (schematic) overview of important dates and deadlines.
- How will you **finance** your collection? Additional income (income from prizes, subsidies/grants, subsidies, part-time job,...), own investment, external financing (investments or loans?), etc...?
- Give a **schematic overview** of the strengths, weaknesses, opportunities and threats of the company. Make sure you think about the company as a whole, the market in which it operates and the wider (socio-economic) environment in which it is situated.

In this second stage of writing a business plan you organize the story of your company into a clear and logic entity. The plan will allow you to evaluate the feasibility of your idea and makes you think and re-think every aspect of the business. The business plan is a 5-year plan that will help you to make deliberate and wise decisions.

Primarily, you write a business plan for yourself to sharpen your idea. But next to that is it the most important document to have with you in your search for a potential investor, a bank, a partner, Therefore, think about the audience to whom you will present your business plan and adjust the style and focus of your plan accordingly.

The answers below are organized according to a potential table of content. But note that, there are many other possible and feasible ways to organize the story of your company.

Be aware that not the length but the content of your plan is the most important. Plans easily vary between 5 pages and over 50 pages.

TABEL OF CONTENT ...

- 1. EXECUTIVE SUMMARY**
- 2. THE COMPANY**
- 3. MARKET & COMPETITION**
- 4. SWOT-ANALYSIS**
- 5. OPERATIONAL PLAN**
- 6. COMMUNICATION PLAN**
- 7. ORGANIZATION**
- 8. FINANCIAL PLAN**

EXECUTIVE SUMMARY ...

1

This part should give a quick overview of everything that will be discussed in detail later on in the business plan. It is the essence of your plan and an important teaser for the reader that might be a potential investor, bank, business partner, ...

Include here also in short for which purpose the business plan is written. This can be concrete: how much money you are looking for, what processes you want to outsource, what type of partner you are looking for,...

The executive summary is professional, to the point and does not contain generalities. Write this section at the very last when you have a clear vision on what you want to achieve and how you will achieve this.

- *List the main points in the same order as they appear in the plan (e.g. The company, Market and Competition, etc...).*
- *Write a simple, declarative sentence for each of the main points.*
- *When needed add supporting or explanatory sentences, but avoid going too much in detail.*
- *Include the goal of your plan (e.g. looking for a certain amount of money, looking of a trustworthy partner, etc...).*

If you have a **start-up business**, answer the following questions:

- *Who are you?*
- *What did you already do/achieve in your life?*

Briefly describe your project: focus on converting your idea into a clear vision that becomes a commercial success. Create an advantage that your competitors do not have and make sure your idea is long-lasting.

If your **company already exists some time**, briefly answer the following questions (this should only be an introduction to the company, because the organization will be discussed in detail later on):

- Briefly explain the history of the company and where the company will head to in the future.

Answer the following questions in **both cases**:

- **Products**

Are you designing a women's wear collection, a menswear, an accessories collection... and which specific products will be designed for the collection; coats, dresses, necklaces, pants, shoes ...?

Make sure your collection is complete and includes variation so your collection appeals to a wide(r) range of people. Also think about how your collection will grow (in depth or in width) in the future (over 5 years).

If the purpose of your plan is finding an outsourcing partner, you can add more specific information about the production process.

- **Mission, vision and values**

Although these are theoretical terms, the answers to these three short questions are the basics of your story, your business and your plan.

- **Your mission** is where you stand for. It is in two sentences the reason why you created your business.

- **Your vision** is your idea of the future. Set goals you want to accomplish in the coming years. To be able to evaluate your goals, make sure your goals are measurable; e.g. financial goals, a certain amount of sales, a certain amount of stores you sell in, a certain market you want to explore, ...

- **Your values** form the foundation of your vision and mission. They contain your ethical and moral codes. In today's society consumers pay increasingly more attention to company value. Consumers want to be sure that the product they are buying is not the result of child labor or that employees are properly paid and taken care of. Next to this, it is increasingly crucial for consumers to take account the impact on the environment and try to minimize its impact.

- **Unique Selling Proposition (USP)**

Compared to your competitors, what makes your company/ collection unique and better? What will be your focus? Describe the image or message of the company/collection as an important part of your USP.

Look to the strengths and weaknesses of your competitors to help you define your unique selling proposition and sharpen the idea of what you stand for. It is not enough to claim you are unique, you have to convince your consumers/customers you are and make them believe it. Do not focus on what you are selling, but on the reason why people should buy your products/collection. Make sure your USP is original, realistic and sustainable.

MARKET & COMPETITION ...

3

The fashion industry has some very specific characteristics the reader should know about to understand and correctly analyze the plan. As not every reader has this knowledge about the peculiar world of fashion, adapt the business plan to the public you address the plan to.

If the public is not familiar with the fashion industry, answer the following question in detail. If the public on the other hand is familiar with the fashion industry, briefly write down the most important elements for your specific case.

Point out some specific characteristics; e.g. fashion weeks, fashion calendar, life cycle of the fashion industry, fast pace of innovation, importance of image and press, etc...

Answer the following questions in both cases:

If you sell the collection to multi-brand stores, department stores, ... then these are your customers (not your end-consumers).

Think of a strategy for both the customers and the end-consumers: How will you keep customers loyal (e.g. loyalty cards, ...), how will you handle complains, how will you measure satisfactions & how will you get this information,...

- **Demand**

Divide your market into segments, choose the segment you want to target and decide how you want to position yourself in this market. Describe how large the pool of potential customers is and how much market share within this segment you aim at in the beginning and after your 5-year planning is finished. Try to include some concrete figures.

- **End-consumers**

Who is your target within the fashion industry? Who are your end-consumers? Who actually buys your collection and wears them? Where do these people buy collections? Where do they live? How do they behave? What do they look for? What are they interested in? ...

In short, try to picture (the life of) your end-consumer.

- **Customers**

Which distribution channels will you use? How will you contact them? Which stores fit your image?

Give some examples of stores you already contacted, made deals with, that are ideal stores fitting your image, ... Include your sales strategy. Will you use sales agents, which are the regions you will focus on, ... This will allow you to make realistic sales projections.

- **Competition**

Although this seems a question too obvious to examine, handle this part in detail as it will help you to sharpen your vision, mission, ... in short the story you want to tell.

Name your direct and indirect competitors - offering a substitute or positioned in a higher or lower price segment - and list their strengths and weaknesses. How will your company position your collection within this competitive field? Only discuss the elements helpful to provide a detailed overview of the positioning of the company.

- **Suppliers**

What requirements need suppliers to meet in terms of payment conditions, quality, service, image, exclusivity, price, discount, location, loyalty,...?

If you are a start-up, pay attention to companies only preparing orders for large enterprises. And be aware that small orders will be the least important and often results in a delay of delivery.

- **Environment**

Understanding the world your company is operating in is of crucial importance, as it can influence your company either in a good or bad way. You do not want to miss out on opportunities or be surprised by threats. An easy way to get a quick overview of the environment is to do a PEST-analysis. PEST stands for Political, Economical, Social and Technological.

- **Political:** Respect the legislation of the countries where you do (or will do) business in and explore the field as there might also be positive regulations and the possibility to make use of subsidies.

- **Economical:** This is strongly related with the political aspect. The stability of the economy changes the rates which is important to take into account when you do business abroad,...

- **Social:** Consider the demographic changes (e.g. grey market), the lifestyle of people, the multi-ethnic societies, the money people can spend on luxury goods,...

- **Technological:** Look out for new ways to produce your collection (e.g. innovative machines), organize the (internal) data of your company accordingly the technological possibilities, collect information of your customers, ...

- You could adjust 1 more element by taking a look at ecological factors.

SWOT-ANALYSIS ...

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A SWOT-analysis aims at analyzing the strengths, weaknesses, opportunities and threats of a company in order to fit/adapt the strategy with the results of the analysis. The four anchors should be analyzed not only by looking at the designer, but by looking at the company as a whole, the market it operates in and the wider socio-economic environment in which it operates.

	Strengths	Weaknesses
Opportunities	Invest: This is a possible advantage and will benefit the organization	Decide: Invest or divest
Threats	Defend: Emphasize on your strengths	Damage control: change is needed

The strengths and weaknesses are internal. This means you can control them and you have the power to transform weaknesses into strengths and in the meanwhile maintain your strengths. The opportunities and threats are external. You cannot control them, but being aware of threats helps you to counteract them in the best way possible. And being aware of possibilities will enable you to make wise future decisions and stay ahead of competitors.

Hint:

Listen to (complaints of) your customers/end-consumers as this will allow you to analyze your company in a more objective way. Explain every anchor in bullet points.

- **Opportunities**
E.g. new customers, problems at the competition, new markets because of new legislation, globalization, new technology...
- **Threats**
E.g. competitors, strict regulations, the entrance of a new competitor, the image of 'young' designer,...
- **Strengths**
E.g. experience in the fashion industry, strong network, unique concept/design, loyal customers ...
- **Weaknesses**
E.g. not many experience, not a good manager, bad reputation, bad location, working on your own...

Timeline of activities

Think in detail about when you will organize which activity and put this in a clear schematic representation. Think about the strict fashion calendar, the conventions about payments and orders, ...

- **Production**

Think about how and when you will organize the production. Give an as detailed as possible overview of partners you possibly want to work with or already contacted. Think about how you will deliver in time, quality control, environmental and social issues etc... Discuss this for both textile producers and production partners and take in mind to start negotiations well in advance. Make arrangements on who will deliver patterns, technical sheets, ... and in which form.

List all the raw materials, piece parts and other components required to complete a single unit of an end item. Make a list of all your final products and the fabrics, buttons, labels, zippers, ... needed. You can visually represent this in a product structure tree with the end item on top and the different components hierarchical underneath it. This will help you to keep a close eye on your inventory.

Make sure that the products you create are production friendly, easy to stock and transport. This is one element that will keep your expenses under control.

Not only stock the materials used, but also stock your patterns, drawings, ... This saves time in the future, will enable you to remake bestsellers from former seasons in different colours and fabrics, etc...

COMMUNICATION PLAN ...

6

For starting designers, communication is essential to conquer the fashion world step by step. Customers and end-consumers need to 'see' new designers in a world overloaded with established and upcoming brands, labels and designers.

Make sure to communicate regularly because it takes a long time before people get to know you and your brand. Do not give them the chance to forget you. The best way is to continually communicate and build a long-term relationship with the press. You can choose to do this yourself, or you can work together with a PR-agent that will handle this for you.

If you have a start-up business your budget for communication is possibly not high, so be creative with the limited resources you have. Write your own press releases, inform the press what you do, ... and do not forget the possibilities of social media.

Be aware that you communicate through everything; communication is everything your customers, end-consumers, partners, ... see of you and your collection. Therefore think about logo, business cards, personal presentation, ... and make sure everything is perfectly in line with each other.

Include your communication-plan in the operational plan above that lists your activities, because your communication strategy should intensify based on the timing of your projects.

If it is hard to come up with answers, make use of the 'four marketing P's'; Promotion, Product, Price and Place to structure your thoughts.

- *What are the core features of your communication strategy?*

The different actions within a communication strategy should be coherent. Therefore, you need a core message and a clear image you want to translate throughout the communication plan which is in line with the customers and end-consumers you target.

- *Through which media and which strategy will you reach potential customers/end-consumers?*

Will you use a website, magazines, other written press, fashion weeks, showrooms, social media...? Make sure to be concrete, detailed and original... and make sure everything fits your concept.

For now, the designer and its work were the central issue. For investors, banks, partners, ... however, it is very important to know who will support the business side of the company.

- **Legal form of the company**

Will you be self-employed or set up a company structure (limited company, limited liability company, ...)? Why?

If you already established a company, include the statutes in appendix.

- **Employees?**

Will you employ people or will you call on freelancers? How many people will be employed and for which position or assignment will they be hired? Why? How will this number evolve in the future?

Make sure this is logic with the sales growth you forecast.

Be aware of your own time management, be realistic about workload and the timing of your different tasks . When and what will you outsource with the sales growth you forecast?

- **How is the company structured?**

This is especially important for bigger companies that want to restructure the business. Draw the most important organizational lines of your business; the hierarchy, who is reporting to who, who cooperates with who etc...

- **External partners/service providers**

On which external partners will you count (e.g. accountant, a graphic agency, a model agency, a press agency, lawyer, notary, ...), what will be their responsibilities and which budget do you need?

List some external partners such as an accountant, a graphic agency, a model agency, a press agency, lawyer, notary etc... together with their responsibilities and the budget needed.

When outsourcing work, include which specific activities and responsibilities will be for the outsourcing partner.

Carefully select your external partners and make sure they share the same vision of the business. Try to build a long term relationship with them as having good trustworthy partners is a must and will save you precious time in the end.

- **Legislation**

Do research about laws concerning the environment, the protection of your intellectual property (images, website, models, products, designs, ..), settlement, employees, etc...

Keep in mind your 5-year planning when doing research.

FINANCIAL PLAN ...

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The financial plan should be a summary of everything discussed above. It should be a numeral representation of the written part of the business plan. It is suggested that you invoke an accountant to help you with this part. Especially if you do not know anything about accountancy, it is without doubt of crucial importance to have a good relationship with your accountant.

A financial plan contains of 3 main parts:

1. Balance sheet

On the right you find the main categories of a balance sheet and the presentation of it. Assets will be placed on the activa (=left) side of the balans. It represents everything you own (and you invested in); cash money, goods, ... in short all of your possessions. The passiva (=right) side presents how the items on the left side are financed. This is through equity capital and (short term or long term) liabilities. The sum on the left side should equal the sum of the right side. The purpose of a balance sheet is to report the financial position of a company at a certain point in time.

At the end of each year, you will have to re-make your balance sheet together with your accountant.

2. Income statement

Indicates how revenues are transformed into net income. It allows you to show managers, investors, partners, ... whether the company made or lost money during a certain period of time.

3. Cashflow statement

This is the most important financial statement, especially for start-ups. This statement states the flows of cash coming in and leaving the company on a monthly base. A cashflow statement should be monitored closely and updated regularly in order to avoid a sudden lack of cash that results in not meeting the payment requirements of your partners.

There are three main components by which cash enters and leaves a company:

- cashflow from operations
(revenues from sales – cost of operations)
- cashflow from investments
(depreciation – investments)
- cashflow from financing
(cash injection by financial institution – interests)

Assets

Current Assets:

Cash	\$ 50,000
Accounts receivable	\$ 40,000
Merchandise inventory	\$ 100,000

Total Current Assets \$ 190,000

Plant & Equipment	
Equipment	\$ 30,000
Less Accumulated depreciation	\$ (2,000)

Total Assets \$ 218,000

Liabilities

Current Liabilities:

Short-term debt	
Accounts payable	\$ 30,000
Salaries	\$ 50,000
	\$ 110,000

Total Current Liabilities \$ 190,000

Long-term debt \$ 20,000

Total Liabilities \$ 210,000

Owner's Equity \$ 8,000

Total Liabilities & Owner's Equity \$ 218,000

Financing Need

The cashflow statement will give you an indication of the money needed to complete your plan. Keep in mind that certain periods of the year large investments will be required, but it will take up to a year to collect the revenues.

To bridge this gap, you probably need financial support such as:

- Personal Input
- Additional Income

Is there additional income coming from prizes, subsidies/ grants... or a part-time job?

- External Financing Need

What is the total amount of financing need?

Explain in which seasons you would need external financing, how much, from whom and at what point in time you will pay back.

Break-even analysis

This is the point where all of your revenues exactly cover all of your costs and investments. After you reached this point, your compagny will start making money.

Your basic business plan is now almost ready. To complete your job re-evaluate your plan and look at it from different angles (customers, end-consumers, investors, ...). Make sure the plan is coherent, supported with good examples, short and clear.