

BUSINESS PLAN

“Z//” APPAREL BRAND IN MYANMAR



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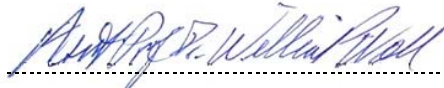
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Executive Summary

“Z//” brand company will produce the best quality clothing products for the Myanmar people. The “Z//” brand company is a type of the retail clothing business. The “Z//” brand will be invested Ks. 30,000,000 as a sole ownership by Zin Min Wai.

The company’s vision is to attain the market leader within the Apparel Industry of Myanmar Clothing Brand through good quality, high-class standard, and a unique product mix and customer service. The company’s mission is to achieve the consistent improvement in providing the products and services systems to the customers (end users).

The “Z//” brand is focused on Product Differentiation Strategy, Marketing Penetration Pricing Strategy, Distribution and Location Strategy (Online & Store in a mall), Pull Strategy (Promotion Strategy). The company’s target market is wide groups of people at any qualification levels who are looking for the good quality and trendy clothing products at affordable prices and excellent customer service. The target customers are 16-25 years old people who are getting low and middle incomes.

The products of the “Z//” brand is three categories: Shirt, T-Shirt, and Polo Shirt. The “Z//” brand’s products will be produced by only 100% textile raw materials and products designs will be developed by their own designers. The “Z//” company has few partner for raw materials (Textiles), product manufacturing, and also logistics. According to the fashion trends, new product designs will be developed monthly. Customers will be served by two distribution channels: Permanent store and online shop channel (Facebook). Permanent store, located at the Hledan Center, will be opened from 9 am to 8 pm. The customer can order the “Z//” brand products from an online shop (6 am – 12 pm). The online shop delivery service will also be provided as the next day delivery service in Yangon location. All of the employees are planned to hire and trained to satisfy the customer needs and to serve good customer services. Employees will serve the customers to get full satisfaction when they come and purchase at the “Z//” brand store and online shop.

Zin Min Wai

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CHAPTER 1

BUSINESS DESCRIPTION

1.1 Company Description

“Z//” is a Burmese Retailing Clothing Brand which will operate by both a permanent store and online store in the Yangon Region, Myanmar. The target customers of the “Z//” brand are male and female who are aged between 16 and 25 years. Nowadays, Myanmar people are more and more interested in the Apparel products to pretty look and be style, smart and fashionable. The “Z//” brand company will provide the target customers with three product categories such as Shirt, T-Shirt, and Polo Shirt. All products will be manufactured by 100% cotton textiles. Their own designers will create all product designs to meet the customers’ desired product designs and their own creative designs to attract the customers. The “Z//” brand is mainly operated with suppliers of raw materials, manufacturing products, and logistics. Furthermore, the “Z//” brand will produce new clothing products monthly to meet the customer needs according to the fashion trend changes. If the customers want the desired colors and sizes from the “Z//” brand offering products designs, they can order their favorite colors and clothing sizes for the company as a customization service. The products are priced at an affordable pricing level and return policy (within three days after receiving products) is provided for the customers.

1.2 “Z//” Brand Logo and Slogan

This logo is designed to identify my business and it is belonged to the “Z//” Brand Myanmar. The meaning of the brand name “Z//” is a Nickname of the brand owner and the “Z//” slogan meaning; “Keep it Smart” is customers will look smart guys when they wear the “Z//” brand clothing products.

Slogan: “Keep It Smart”



Figure 1.1 “Z//” Brand Logo and Slogan

Source: Researcher, 2017

1.3 Company’s Vision and Mission

Vision

- To attain the market leader within the Apparel Industry of Myanmar Clothing Brand through good quality, high-class standard, and a unique product mix and customer service

Mission

- To achieve the consistent improvement in providing the products and services systems to the customers (end users) through enhancing the Customers Satisfaction by upgrading products value, quality & design, and services based on the changes of fashion mainstream.

1.4 Company’s goals and Objectives

The following six objectives are crucial performing in the current situation in order to reach the intended mission and vision of the “Z//”.

1. To launch an online store and a permanent store in the Yangon Market
2. To provide the customers’ needs as a clothing brand
3. To establish a sustainable business operation in Long-term
4. To build the brand awareness in the Yangon market
5. To achieve a good brand position & brand image in the target market
6. To develop the viable clothing product designs and customers services in Yangon, Myanmar

1.5 Opportunity Statements

Apparel Market

Nowadays, Myanmar people are more interested in the clothing products. They become spending their money on the good clothing products for good looking and they also want the good quality products at affordable prices. The teenagers are more interested in the clothing products to purchase often and they are willing to wear only the latest product designs. However, the existing local brands do not provide the trendy product designs then customers cannot take any advantages such as return policy, frequent promotion plan, etc. They just sell their tangible products without providing any other benefits for purchasing their products.

In the fashion industry, Myanmar designers often held Fashion shows to persuade and keep in touch with the customers for their products. In addition, Myanmar Fashion trends change according to the international fashion trends (Myanmar Times, 2017). As a result, the products designs are needed to make more updatable designs based on the fashion trends and customer costs (product prices) should be priced at the affordable level to purchase.

E-commerce

Nowadays, the Internet is one of the fastest growing areas around the world and users are increasing from year to year (Insider, 2017). It encourages E-commerce business: easy access to the online advertisement and providing excellent shopping experiences that make more convenient and cheaper price than the permanent stores.

According to the internet live stats (2017), Myanmar there is 0.3% of the population (internet users) in 2010, and then it increases till 2.5% of the population (internet users) in 2016. Internet usages also increase from day to day. E-commerce business is one of the most opportunities for business growth and this E-commerce business starts growing in Myanmar (eIQ Insights, 2017). E-commerce business provides reducing investment costs for required physical facilities and it fulfills the customers more convenient and saving time than the outside shopping. Moreover, it encourages advertising for the products or services which are cheaper than TV ads and it becomes the easiest way to attract the customer attention on the products. Thus, the online shop is a potential business platform and it can make expanding the business

position, obtaining wide customer relationship and quickly reaching the target selling point of a company than working only ordinary stores.

1.6 Canvas Business Model

1. Target Customer segment: Low and middle-income people (age between 16-25 years old); focus selling on the apparel products for daily wears.

2. Company's Value Proposition: Only 100% Cotton Textiles, Customizable Product Sizes or Colors of the Offering Products (Within a week), Fast Delivery Service of Online Shop (Next Day Delivery Service), Frequent Promotion Plans (Discount and Cashback), Product Return Policy within three days.

3. Distribution Channels: Products are directly distributed at the permanent shop and online shop; online shop's delivery service to the customer's location.

4. Key partners: Raw material suppliers (Textiles), Product Manufacturers, Logistic suppliers.

5. Key activities: Selling the "Z//'" brand's apparel products, researching the apparel market changes and marketing.

6. Key resources: Company's employees and Internet networking system.

7. Customer relationship: Customer's feedback at the permanent store, customer's feedback at online shop, Advertising, and Promotion.

8. Cost structure: Raw materials, Logistics, Manufacturing fees, marketing costs, labor costs, required physical facilities and other necessary costs for start-up.

9. Revenue stream: Company's products sales.

CHAPTER 2

INDUSTRY ANALYSIS

The secondary data can be used due to the time limit in order to get the required information. Secondary data can be collected from many sources like books and e-books, newspaper articles, Journals of Business and Industrial Marketing, and Student Research paper, Standard thesis and more. The secondary data must meet to reach the objectives, aims, problems, and background of the conducted paper. Data from secondary research must be reliable, validity and accuracy of the data because some data are out of data and lack of accuracy.

This following industry analysis has been done mostly by secondary data from online data websites that are reliable, relevant, and acceptable sites of the required information data.

2.1 SWOT Analysis

According to the Phillip Kotler, P. & Keller, K. L. (2009), SWOT analysis is a tool to assess the organization strengths, weaknesses, opportunities and threats while observing the internal and external environment of the organization. SWOT analytical tool is one of the effective tools to determine exactly the internal strengths & weaknesses and external opportunities & threats (Kotler, Phillip, Berger, Roland & Bickhoff, and Nail. 2016).

A simple method of starting SWOT analysis begins with the internal analysis of the organizational strengths and weaknesses, then external environmental analysis such as opportunities and threats for the organization. (Todd A. Mooradian, Lawrence J. Ring, Kurt Matzler, 2011).

SWOT analysis is an effective tool to make the certain decisions for implementing better products or services by understanding the internal strengths & weaknesses of the organization and opportunities & threats from external environmental.

The internal and external level of SWOT analysis can be considered both qualitative and quantitative data collection methods; however Craig S. Fleisher &

Babette E. Bensoussan (2015) argued that qualitative data collection is more reliable than quantitative data collection for SWOT model.

The internal data collection of this research (Strengths and Weaknesses) is conducted by observation method of the primary research within the organization. Then secondary data is used to the external data collection method on some factors that impact to the firm as threats and opportunities of the firm. Being analyzing the SWOT, the “Z//” brand can be provided to get both knowledge on their company’s products & services and market situations knowledge to make the company’s driving strategies’ adjustments.

The following table is about the SWOT analytical matrix of “Z//” brand based on the company internal and external research analyzes.

Table 2.1 “Z//” SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> – Trendy product designs – Affordable prices – Own distribution channels (Own visibility from own stores) – Working both permanent store and online shopping stores – Customization for the product sizes and colors of the “Z//” brand offering products – Good Marketing Communication with the target customers 	<ul style="list-style-type: none"> – A new brand with no brand awareness – Having only one permanent store – Lack of control over product production process – Lack of the business experience in fashion industry
Opportunities	Threats
<ul style="list-style-type: none"> – Changing Technology Trends in Business operation (payment systems) – Changing Social trends from national wearing style into International style – Increasing Online shopping users 	<ul style="list-style-type: none"> – Large volume of competitors – Quick customer demand changing in fashion industry – Weak infrastructure system in logistics to support of the efficient online delivery service

Strengths

The product designs of the “Z//” brand will be created as a fashionable, style, smart and trendy product designs for their target customers and the customers can get the good quality clothing products at affordable prices from “Z” within the competitors.

In addition, “Z//” brand works their own direct distribution channels to be able own visibility from own stores. And the strength of the “Z//” brand is working with the permanent store located in a shopping mall and online shopping store. “Z//” brand will

provide customization to the customers to get their sizes and colors when they like the “Z//” brand designs.

The Facebook usage rate for overall internet users is 95.62% in Myanmar (Statcounter Globalstats, 2017). There are 9.74 million of monthly active Facebook users and ages from 13 to 25 years old who play the large part 5.9 million out of 9.74 million active Facebook users. Most target customers are teenagers who use the social network. Thus, “Z//” brand has the good marketing communication with the target customers through the social network.

Weaknesses

“Z//” brand is a new clothing brand which has no brand awareness in the market. Thus, the “Z//” brand might be started by the brand promotion strategy to know the brand name first. However, Myanmar people purchase the clothing products (both Brand products and Non-brand products). When “Z//” brand is started entering the market, it will be started with one permanent store and online shopping store. Thus, having one permanent store can be a weakness of the company for the customers who prefer purchasing in-store shopping systems and another point is the competitors work more than one store and also start working online store in the market.

In the production sectors, “Z//” brand works with the suppliers for the product manufacturing. There are so many child labors in the garment industry and this happening can lead some errors in the product manufacturing process because of the lacking enough working skill (Just-Style, 2016). Thus, “Z//” brand can face some products in errors without noticing on their hands and it can also lead the customer trusts and satisfaction on the “Z//” brand. In addition, the owner of the “Z//” brand has lack of the business experience in the apparel industry whereas others members might already have enough experiences in their related works.

Opportunities

In Myanmar banking sectors, they start working online banking systems with slow technology speed and users are not still ready for the card payment systems in Myanmar (Crossroads, 2015). In 2016 other instant payment system, like Wave Money Company has been introduced as a mobile money transfer business into the market

(Wave Money, 2016). Customers can transfer their money to people who they want to pay by using their service. It shows the changing technology trends in payment systems in Myanmar. It will help working for the payment systems of the online shopping of “Z//” brand.

Myanmar people try to change their clothing style from traditional to internationally based on the needs of the events (People Magazine, 2016). Now, men wear a shirt with trouser or Longyi and women wear a shirt with skirt or htamain for their working hours. It shows the changing fashion trend in Myanmar. It can be the great opportunity for the “Z//” brand’s design creation. According to the Myanmar Business Today (2016), online shopping business in Myanmar is largely grown in efficiency through a Facebook page which has no impact on the market share of in-store shopping. Many traditional retailers have started their business to the online shopping business through a Facebook page which can directly access to communication to the large volume of the customers in short time. “Z//” brand can use the Facebook page as a good online platform for getting more popular brand awareness and reaching unique selling point in short-time.

Threats

In the apparel market, there are so many well-known local and foreign apparel brands in Myanmar and new foreign competitive brands are still doing registration in MIC to enter into the Myanmar market (MIC, 2017). Thus, the large volume of the competitors can be the major threats when “Z//” brand enters into the Market.

In addition, customers can get easy access to the changing international fashion trends because of the IT age. In the fashion industry, it can lead changing the customers demand quickly depending on the changes in the fashion trends (Myanmar Time, 2013). It might affect the existing manufactured stocks sales of the “Z//” brand. And, the quality of Myanmar infrastructure was standing 136 rank levels in the world ranking. It shows Myanmar infrastructure is the situation of extremely underdevelopment which has level is just over 2 (Global competitiveness report: 2006-2014). Without having good infrastructure systems in transportation, it can lead the logistics problems for all business including “Z//” company’s logistic supporting for online delivery service.

2.2 PESTLE Analysis

According to the Romsn G. Hiebing and Scott W. Cooper and S. Wehrenberg (2011), the PESTLE analysis is an analytical tool to determine these influencing factors from the perspectives of the political, economical, social, technological, legal and environmental which are significant contents in the marketing plan.

According to the Boundless (2016), PESTLE analysis is a tool that uses for external environmental market analysis and macro-level marketing analysis. PESTLE analysis can be considered by the level of each perspective that affects to the organization such as critical, very important, important, significant and un-important (Uma, 2003).

The PESTLE analysis is an adequate tool to determine the macro environmental forces that can impact to the marketing plan of the organization (Simon, 2016).

The PESTLE analysis is used to design and implement a successful marketing plan of an organization by considering the micro-environmental factors as well as macro-environmental factors that impact in current and future situation of the organization (Felina C. Young and Cristobal M. Pagoso, (2008) and Havalder (2014). The PESTLE analysis is used to separate each factor that influences to the positive and negative impact on the organization (Srdjevic, Z., Bajcetic, R. & Srdjevic and B. Water Resour Manage, 2012).

The PESTLE analysis is a tool used in considering the external factors in the market that could outcome positive or negative impact on the organizational operations. And it should also be considered in analyzing the new market trends and in conditions of entering the organization into different region or country by a new product or service launching.

The data of the PESTLE analysis is an external data collection type and it is collected from external sources related with the industry. The collected data of this PESTLE model must be reliable and relevant to the firm to evaluate forecasting of the current situation in the related industry.

Data collection of this analysis is really difficult, costly and too much time consuming to reach the target objectives of this analysis while primary research, but observation method can be used to analyze this PESTLE model. Moreover, this is an external analysis of the firm by finding the external source come from external

environment of the organization. Therefore, secondary data mainly from online source is used for this PESTLE analysis such as business news, political news, technological news and others that are related with this research.

The following table is about the overview of the PESTLE analytical matrix and the important factors that impact to the “Z//” brand Company and products.



Table 2.2 “Z//” brand PESTLE Analysis

Political Factors	Economical Factors	Social Factors
– Political Instability and Uncertainty	– GDP growth rate increase	– Increasing Bank usage with

– Uncertainty in Business policy and law based on the political situation of the country	– Increasing purchasing power	inefficient online payment system
– Corruption Reduction rate	– High Inflation rate	– Increasing Smartphone usage for internet and online shops
	– High-Interest rate	– Increasing E-commerce
	– Cheap labor costs	– High value on the Culture and Tradition
	– Low Taxation Rate for Local SME firm	– Fashion trends changing into international
Technological Factors	Legal Factors	Environmental Factors
– Changing into strong internet infrastructure	– Sudden changes in Trade law and regulation	– Water pollution concerns because of the plastic bags
– Slow online payment system	– High Strict in Law of Patents, Copyrights & Trademark	– Flooding during rainy season that affects to the online delivery service
– Lack of using new technology in production sectors	– Non-Strict highly in Labor Law to the local SME firm	
– Innovation in mobile application for online shops		

Political Factors

Political factors are one of the big issues for companies to consider what these factors can impact to the business. In A USIP Fact Sheet (May 2017), Myanmar is now

the political transition period from autocratic military rule to representative Democracy. Therefore, it encourages happening political instability and uncertainty to go through the Democracy way and it makes changes policy and laws in all sectors including the Business sectors while political reform. In the statistics of the Trading economics (2017), Myanmar corruption rank was decreasing from 180 in 2011 to 136 in 2016. It shows the reducing of the corruption rate within the country. It is the positive effect on the company in government operation process.

According to the report of MIC (Myanmar Investment Commission, 2017), many foreign companies are waiting to extend their business into Myanmar market based on the open-minded changes to the foreign organization in the business policy & law which is stability and certainty. In the case of the “Z//” brand, those factors that can impact in a negative way are really important to perform the transactions of the company smoothly and “Z//” brand have to take aware watching on those factors regularly for the business.

Economical Factors

From the point of economic view, increasing GDP growth rate shows that the economic situation is going toward the positive direction, they forecast increasing GDP growth from 6.3 in 2016 to 7.8 in 2020 (Trading Economic, 2017). And the purchasing power of customer was increasing from 3112.2 in 2008 to 5351.6 in 2016 (Trading Economic, 2017). This fact can be the opportunities for “Z//” brand. However, inflation rate (6.26%) in 2016, foreign exchange (1USD = nearly 1400Kyat) and interest rates (10%) that impact negatively to the “Z//” brand are also high (Central Bank, Myanmar). Other important things for “Z//” brand are labor costs and taxation rates. Minimum labor wages is 3600 Kyat per day and this is the time for driving the local SME development of the country in Myanmar. Thus, taxation rates will be reduced especially for the start-up SME business to encourage growing the business within the country (DICA, 2017).

Myanmar GDP	Last	Q3/17	Q4/17	Q1/18	Q2/18	2020
GDP Annual Growth Rate	6.3	7.1	7.1	7.5	7.5	7.8
GDP	67.4	69.33	71.76	71.57	71.37	76.12
GDP per capita	1420	1480	1500	1519	1537	1721
GDP per capita PPP	5352	5566	5635	5705	5774	6453

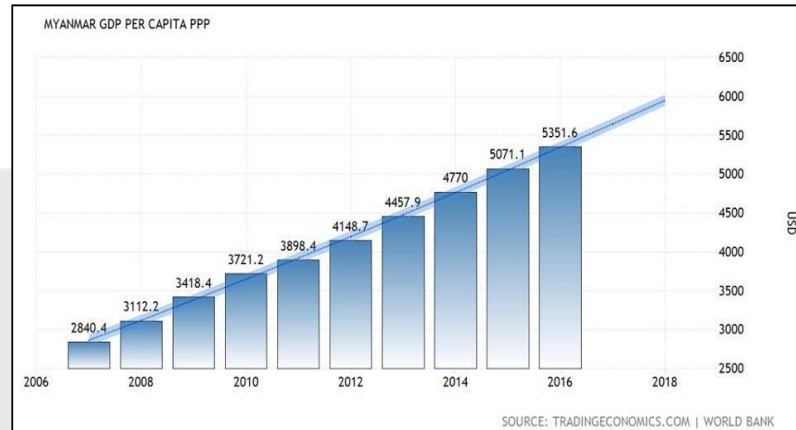


Figure 2.1 GDP Growth rate of Myanmar (2017)

Source: Trading Economics (2017)

Social Factors

According to the report of the Central Bank (Myanmar) in 2016, bank usage rate is increasing from year to year but the banks are slow development in online payment systems. Myanmar mobile users are 33 million in the country and Smartphone usage is 80% out of the mobile usage (Digital in Asia, 2017). Due to the fast internet penetration rate, Myanmar E-commerce trend will soon become one of the most dominant areas within the country (Myanmar Burma Travel Blog, 2016). For “Z//” brand, all of the facts explained above might be positive effects for doing business both permanent and online stores expect from the weakness in the payment system.

One of the most important things of the Myanmar people is a high value in their culture and tradition. In the past, University students have to wear only Myanmar traditional clothing such as Shirt with Longyi for men and Yin phone Angyi with Htmain for women (Myanmar Times, 2017). Now students can dress Shirt, T-Shirt and Polo Shirt with Longyi for men and with Htamin for women, but many Universities are still banning wearing pants for a male instead of Longyi. The office workers become

wearing the international dressing style (Shirt, T-Shirt, and Polo Shirt) with pants for men and with skirts for women.

Furthermore, fashion trends in Myanmar are also changing based on the international fashion trends (Myanmar Times, 2017). Myanmar designers create the designs by inspiration from the international fashion trends and they make fashion shows for their presentation of their products. Because of doing this, Myanmar people become more interesting on the international fashion clothing wear. Thus, it can be the effective positively to the design creation for the “Z//” brand’s products to persuade the customers.

Technological Factors

Myanmar internet infrastructure system has been changed from 3G to 4G & LTE+ network system to be able to use as the fast internet system within the country (MPT Myanmar, 2017). It makes really advantage for the “Z//” brand in digital marketing such as advertising, online sales, and promotion. However, online payment systems for E-commerce are still slow development because of the banking sectors are not enough development in IT usage (Myanmar Entrepreneur, 2017). It might affect negatively to the “Z//” online prepaid payment system. Thus, “Z//” will have to use the cash on the delivery system instead of prepaid.

Myanmar Local Production Company cannot change the technology usage based on the world changes and they don’t have enough knowledge of the changing technology advantages (DVB, 2017). Thus, production for “Z//” brand’s products might face delay or not on time limit because of the lack of using advanced technology. But, the important thing for online shopping is creating the isolate mobile application for the online shopping. It starts as a growing platform in Myanmar market and most of the big online shopping company creates to take advantage of it (New Wave Technology, 2017). It might be a positive effect to the “Z//” brand as a new platform for product sales.

Legal Factors

Changes in Trade law and regulation can happen suddenly based on the foreign direct investment law changing (DVB, 2016). And Law on Patents, Copyrights, and

Trademark are highly strict if the competitors imitate the same registered logo and brand names (MIC, 2016). However, there may be a great chance on the local SME firm without highly strict in Labor law and presenting a financial report to the government (DICA, 2017).

“Z//” brand has to aware those factors mentioned above when it starts doing business in the country. The trading law is important for “Z//” brand when the raw materials purchased from other countries and Copyrights are also important when they produce the product sticker designs. However, “Z//” brand has a great chance being local SME firm to do business with many exceptions mentioned above.

Environmental Factors

The drainage system of the Myanmar is not good because there are so many plastic bags in the water without decaying. Thus, the trash collecting plan started while the new government took the actions (The Mirror, 2015). When the package design for the “Z//” brand’s products is considered, it might be easy disposal material instead of the using plastic bags.

In the rainy season, flooding is always happening in Yangon because of the heavy rain and bad drainage system. It makes so much traffic jam caused time-consuming and hard to travel within the Yangon region (The Mirror, 2017). It can make a hard time for the “Z//” brand’s product delivery system of the online services.

2.3 Porter’s Five Forces

The Porter’s Five Forces is a set of the framework to analyze the external factors that can affect to the firm in terms of five phases such as supplier, customers, competitors, entry threats, and substitute products. Michael Porters’ five forces model provides an insight of emergency care of the industry analysis by showing how large or small the forces of supplier power, buyer power, entry barrier, the threat of substitution and internal rivalry that can affect to the firm stated by Jesse M.Pines MD (2006).

Alan Fyall and B. Garrod (2005) stated that Porter’s Five Forces framework is a simple and effective framework that promotes to understand the micro-environment of the firm. Moreover, according to V. K. Narayanan & Liam Fahey (2005), the

theoretical structure of the Porter's Five Forces Framework has three key qualifiers such as transaction costs, capital flows and laws governing rivalry.

Hill & Jone (2008) explained that Porter's Five Forces model is a tool that can analyze the competitors and competitive environment of the firm to plan the strategies and other marketers and Michael E. Dobbs (2014) expressed that Porter's Five Forces framework encourages marketers providing with a structured, comprehensive and practical template set while using to assess the industry analyze.

Porter's Five Forces (created by Michael E. Porter) is a useful tool to analyze the external factors of micro and macro environments of the firm within the industry and it encourages the development of the suitable business strategy for the firm.

Collecting the data of the Porter's Five Forces is relatively difficult than the SWOT analysis and PESTLE analysis because it include the data collection in suppliers, buyers, new entrants, substitute products and rivalry. In this, the information of the rivalry in the industry cannot be easy to try and it is hard to identify their data by primary research.

Simon (2016) stated that the data in Porter's Five Forces should be provided the information of the suppliers, buyers and potential new entrants to the market in the microenvironment of the firm and all of this information can support to the firm to know the strength and weakness of the firms and its competitors.

Therefore, collecting the required data of this Porter's Five Forces analysis was conducted by secondary data sources mostly from online in the fashion market. This data research must be done in the current situation of the firm affected from the micro environmental market in the industry.

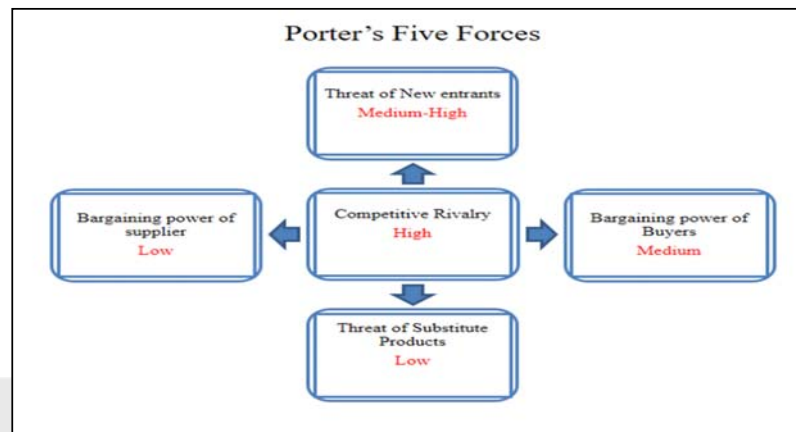


Figure 2.2 “Z//” Porter’s Five Forces

Source: Researcher, 2017

Competitive Rivalry (High)

- Large volume of Competitors
- Low consumer switching costs
- Brand and Non-brand products
- Lack of product differentiations
- Exit barriers in medium situation

In the case of “Z//” brand, there is the large volume well-known local and foreign fashions brands which already exist in the apparel industry (Shop, 2017). But the consumers switching costs are low in the clothing products. To consider the competitors for the “Z//” brand, there are two types: Brand products and Non-brand products in the market. Furthermore, most of the competitive brands offer same benefits on the products but customers can differentiate mostly the product quality, designs, and brand awareness to make a purchasing decision on the clothing products. In addition, the existing brands can stand without having heavy competition barriers with the competitors. From the point of “Z//” brand, the threat of competitive rivalry is in the high situation.

Bargaining power of Supplier (Low)

- Large number of suppliers
- Low switching cost

- Easy to substitute

Many textile businesses and garment factories are working in the Myanmar apparel industry. There are large numbers of suppliers that can easily change to another one if the required product demands cannot be produced on time by suppliers (Textile & Garment Directory, 2017). In the case of “Z//” brand, there are large numbers of suppliers to work in the purpose of outsourcing for the product manufacturing. Therefore, the threat of the bargaining power of suppliers for “Z//” brand is low because suppliers can be easily substituted by another one and switching costs are not expansive to make a deal with new suppliers.

Bargaining power of Buyer (Medium)

- Low buyer switching costs
- Differentiation in products quality and designs
- Well-communication with the target customers
- Medium volume product purchase

Buyer switching costs are low in changing brands, but “Z//” brand makes the good differentiation on the g product designs and quality than the competitors. And “Z//” brand has good communication social media channels with the target customers because they mostly use the social network to shop and communicate. Thus, customers can attract for using the “Z//” brand’s clothing products. The target customers’ behaviors are active to purchase the clothing products to look pretty and smart. As a result, the bargaining power of the buyer is medium.

Threat of Substitution (Low)

- Lack of substitute products available

In Myanmar apparel industry; there is lack of substitute products for clothing products by other industry products. “Z//” brand can ignore this factor as a fashion brand. Thus, the threat of substitute of the “Z//” brand is at the low situation.

Threat of New Entrants (Medium to High)

- No brand awareness

- Low Customer switching costs
- Easy Access of the distribution channel
- High capital investment in marketing activities

When the new entrants for the “Z//” brand are taken to consider, it is relatively neither easy nor difficult to enter the market because the investment costs can be fairly limited by owners. If the product design creations and quality are attractive, customers will purchase even non-brand products in Myanmar Apparel market. Customer switching costs are also low and the new entrants can start with the easy distribution channel such as online shopping. And the products manufacturing cost is neither very expansive to develop whereas the marketing costs are needed to invest mainly to reach the target objectives and breakthrough. As a result, the threat of the new entrants can be seen as medium-high.

2.4 Competitors Analysis

According to Porter (1980), performing the competitor analysis happens marketers will know their firm or products positioning within the industry and it helps to change their weaknesses into strengths by seeing opportunities. Competitor analysis is analyzed by the competitors who are closest to the firm (Tim Berry and Doug Wilson, 2001).

Competitor analysis includes a detailed research study of the firm competitor’s products, service and strategic method to analyze their strengths and weakness (Rundi, A., 2016). Competitive analysis is used to analyze the competitors using strategy within the same industry to understand what they are doing and how they perform to improve their firm (Panita, 2016).

In my conclusion, there are three types of competitors who are important to the firm for analyzing in the competitor analysis such as direct competitors, indirect competitors, and potential competitors. Performing this competitive analysis, the firm can align their products, services and strategic plan to take advantages of the competitor strengths and weaknesses.

This competitive analysis is essential as a firm to collect the current situation data of the competitive brands to forecast their plan in the near future. And this analysis needs to discover what will be the opportunities and threats for the competitive brands

in the industry to take competitive advantages to the firm. Thus, the news happening in the industry is needed to get as the resources for the firm.

To collect the competitors' strengths and weaknesses data, it can be difficult to find the source of the data by primary research. Therefore, this analysis is conducted by secondary data (online sources) that is easy to get and more suitable for researching and analyzing the competitors' products & services and happening industry news.

The following table shows the direct, indirect and potential competitors when "Z//'" brand is considered about the competitors of the brand.

Table 2.3 "Z//'" Competitor Analysis

Direct Competitors	Indirect Competitors (online shops)	Potential Competitors
Unique	Shop	Syco
Giorenzo	Ads	Emily Fashion
iMax	rgo47	KoeKo
Solo	Zawgyi Mart	
Step		

Direct Competitors

There are five main direct competitors of the "Z//'" brand in Myanmar Apparel market.

1. Unique

Strengths

Good product qualities

Wide range of product categories including Fashion Accessories

They have many distribution channels.

Brand awareness is the medium situation.

Weaknesses

The product prices are quite high.

Product designs are simple, good looking and smart.

They don't provide the promotion plan and poor customer services.

The online shop is not working properly.

2. Giorenzo

Strengths

Wide range of product categories including Fashion Accessories

Many distribution channels

Enough Brand awareness

Weaknesses

Product qualities are not good enough and product prices are higher than qualities.

Product designs are not fashionable and out-of-date designs.

Poor Customer service and lack of promotion plan.

The online shop is not working properly.

3. iMax

Strengths

Wide range of product categories including Fashion Accessories

Many distribution channels

Brand awareness is at the medium situation.

Weaknesses

Poor product qualities are at high prices.

Product designs cannot be adapted to the market changes.

Poor Customer service and online shop are not working.

4. Solo

Strengths

High Brand Awareness

Good product qualities at affordable prices

Many distribution channels

Wide range of product categories

Product designs are good enough.

Weaknesses

The online shop is not working properly.

Poor customer service and promotion plan.

5. Step

Strengths

High Brand Awareness

Good quality products at cheap prices than competitors

Many distribution channels

Many distribution channels

Weaknesses

Focus on wide range of customers.

Too Simple product designs

Poor customer service and lack of promotion activities

The online shop is not working properly.

As the direct competitors of the “Z//” brand, Unique, Giorenzo, iMax, Solo and Step brands are local brands which have enough customer awareness for their brands (Shop, 2017). They produce their products with different types of textiles based on the product categories. These all local brands offer to provide wide range of the fashion product lines including same clothing products categories and further fashion accessories for both sexes. They are working not only the direct distribution channels but also many distributors (as Wholesaler) for their products. However, they don’t provide the trendy product designs based on the fashion trend changes and they don’t properly work online stores for their customers. Furthermore, they all are not willing to give enough promotion plans to the customers. Their business strategy is just to push their products to the customers and they don’t provide any benefits besides products for their customers. In order to consider the competitive advantages and differentiation from the competitors, producing only 100% cotton products for all categories, developing the product designs based on the fashion trend changes and adding some benefits & good customer services for purchasing the “Z//” brand products can be added to persuade the target customers.

Indirect Competitors

As the indirect competitors of the “Z//” brand, there are four big online shopping stores in Myanmar: Zawgyi Mart, Shop, Ads, and rgo47. Zawgyi Mart offers variety rate of product lines including Fashion products, Books & Stationary, Electronic, Mobile & Computer, Health & Beauty and others (zawgyimart.com). The shop offers many branded product categories including the clothing products as same with the Zawgyi Mart (Shop, 2017). But differently, Shop gives more frequent promotion of the offering products.

Ads, the direct sales online stores between sellers and buyers, provides a wide range of products line such as fashion products, mobile & computer sales, even including motorcar sales and house rent & sell (Ad.com.mm). The last indirect competitor: rgo47, an online store offering the clothing products and fashion accessories, sells the fashion products which are not a well known brand at high prices (rgo47, 2017). Its product prices are so high, but it provides the promotion strategy: giving the discount plan. Its marketing communication and advertising power are strong enough than other competitive brands.

Potential Competitors

There are three potential competitive brands of the “Z//” brand which are produced by Myanmar Female Celebrities in the fashion industry. The first one is Syco brand which owns Phway Phway, a top Myanmar Actress. She started introducing her brand which includes producing clothing products and fashion accessories. It will start launching into the market within this year because she announced the news for her brand (Myanmar Celebrity, 2017). The second brand is Emily Fashion which owns by Eaint Chit, a popular female singer in Myanmar. Since 2016, she has been started her clothing products into the market but she started her business with small product volumes in a small market (Myanmar Celebrity, 2017). The last brand name is KoeKo handmade footwear brand, which is produced by Sandi Myint Lwin, a popular female singer in Myanmar. This year she has been started her business by only online shopping and this brand mainly focuses on the women (KoeKo fashion, 2017).

2.5 Segmentation, Targeting and Positioning

STP tool is really important for all marketing plan to know the right segmentation, right target market, and right positioning. The strategy should be started with the segmentation process and then go to the target segment (Weinstein, 2013). Without knowing the right segmentation, target market and positioning of the firm, it will be difficult to success whether new products or existing products.

STP model is a marketing tool that analyzes the market data by segmentation, targeting and positioning (Strydom, 2004). STP model is used to analyze the required market data that stands S for segmentation, T for targeting and P for positioning in the market.

According to the Thanita (2015), marketers use this STP tool that helps to understand the customer's behaviors and the positioning of the product or brand clearly in the market. Panita (2016) stated that the data from this STP tool helps as a guideline to generate an appropriate strategy of the organization to reach the target goals by analyzing the market segment, identifying the target market and customers and positioning of the products.

Segmentation

In Myanmar Apparel Market, the existing clothing brands mainly produce their products based on the demographic segmentation (Age, Gender, Occupation and Income). Thus, there are two major occupational demographic segmentations such as Students (High School & University) and Office Workers. However, the “Z//” brand had been made segmentation for getting the specific target market depending on the geographic, demographic, psychographic and behavioral. “Z//” brand will mainly be produced their products provided with good customer services based on this regarded segmentation.

For geographic segmentation of this marketing plan, “Z//” brand is mainly focused on the major business city: Yangon, Myanmar, by taking the benefit of the urban area segment. Yangon is one of the large population urban area including large amounts of students and employees in Myanmar.

The important variables of demographic segmentation of this business plan are age, gender, income because these variables help producing the products to meet with the customer desired and taking competitive advantages depending on those variables.

Interests, social classes and activities are mainly important in psychographic and behavioral segmentation of “Z//” brand because fashion depends on those factors when producing the products designs,

For this behavioral segmentation, “Z//” will mainly focus on the customers purchasing behavior, brand loyalty and how customers expect the benefits from the fashion product such as comfortable, easy wear and so on. Knowing the customers’ behaviors make certainty on the product manufacturing process and considering the benefit of the products by customers approach.

Below is the detail segmentation of the “Z//” brand based on four variables mention below.

Geographic Segmentation

- Regions - Yangon, Myanmar
- Density - Urban

Demographic Segmentation

- Age - 16-25
- Gender - Male and Female
- Income - Low income and Middle income

Psychographic Segmentation

- Interest in Apparel products
- Social class - Low and Middle Class
- Activities - Social media, TV, Internet, Mobile and Online Shopping

Behavioral Segmentation

- Benefits - Stylish, fashionable and easy wear design, time-saving for outside shopping
- Occasion - Regular and Special Occasion
- Attitude - Positive, Enthusiastic
- User status - Regular users, First-time users

Targeting

Myanmar clothing market has many competitors but clothing brand competitors don't compete strongly each other. And most of the brand doesn't pay attention from the customer sides for convenience and satisfaction factors on the products and service. Lack of competencies makes customers reducing to take advantages of the products differentiation among competitive brands.

In this case, "Z/" brand is designed to achieve successfully in targeting the possible market by analyzing to understand needs and wants of the target market. The target market of the "Z/" brand is the clothing market, the target customers are both male and females who ages are between 16 to 25 years old and social classes are intended low and middle class. The location of the "Z/" brand is targeted to launch as a permanent store in Yangon, Second City of Myanmar and online stores as well. As a result, the "Z/" brand will continue to build strong relationships with every customer by giving different types of the advantage of the products and service.

Positioning

Positioning is a major step in defining the segmentation and target segment of the firm. Product qualities, designs, and prices are the main things to differentiate with the competitors to know the position of the product or firm in the market. And customer service is a major thing to persuade the customers.

When product prices and quality are used to differentiate with the competitors, the following perceptual map show the "Z/" brand produces not only the good quality product at an affordable price but also trendy product designs with good customer services than competitors. Thus, the positioning of the "Z/" brand is the affordable product prices with the good quality products in the market. Moreover, "Z/" brand will serve the customers at good service by providing the trendy product designs than competitors.



Figure 2.3 Perceptual map of the “Z//” brand (Quality & Price)

Source: Researcher, 2017

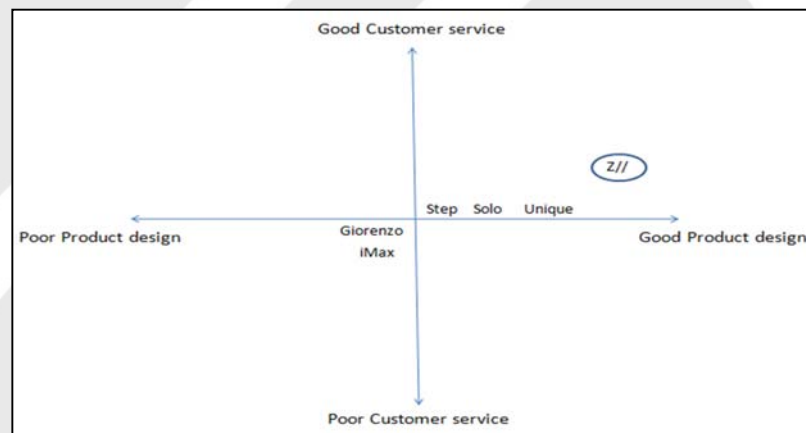


Figure 2.4 Perceptual map of the “Z//” brand (Product Design and CS)

Source: Research, 2017

2.6 Company’s competitive advantages

The company’s competitive advantages can be considered based on the research of the industry analysis explained above. The following points are the “Z//” brand’s company competitive advantages to differentiate the products and services with the competitors.

- Working both permanent store and online store
- A Retail Business: Own distribution channels to maintain the Brand image (Own visibility from own stores)

- Only 100% cotton textile (raw materials)
- Creating and developing product designs with their own designers
- Monthly new product design developments
- Variety of product designs (Shirt, T-Shirt, Polo Shirt)
- Affordable price and good marketing communication with the target customers
- Customizable Product Sizes or Colors of the Offering Products (Within a week)
- Fast Delivery Service of Online Shop (Next Day Delivery Service)
- Frequent Promotion Plans (Discount and Cashback)
- Product Return Policy within three days

CHAPTER 3

MANAGEMENT PLAN

3.1 Form of Ownership

“Z//” brand will be established as a sole ownership by Zin Min Wai who is currently studying MBA program at Stamford University. He has clear vision and mission to success the “Z//” brand in the near future. Zin Min Wai, “Z//” brand’s owner, will take all related business responsibilities in the internal and external organization. And he will manage all employees to perform better and he will control all action plans based on the market environment changes. The start-up cost of this “Z//” brand is 30,000,000 MMK. “Z//” brand will be working with one procurement staff, one accountant, one marketing executive, two Salesgirls for the permanent store, two staffs for online shopping, and two own designers for design creation.

3.2 Organizational Structure / Chart



Figure 3.1 Organization Chart of the “Z//” Company

Source: Researcher, 2017

3.3 Qualifications, Job Descriptions, and Requirements of the Company Staffs

Company Director

“Z//” brand is owned by Zin Min Wai, a MBA student of Stamford International University. He has enough knowledge of the business running concepts like “How should the business be run to reach the target goals and objectives”, “How the situation of the business is in Myanmar Apparel Market”, “How can the customers be persuaded to purchase this brand “Z//” brand’s products”. And he can manage and train all staffs to promote their abilities and reach the company target goals.

Procurement Staff

An employee for procurement position has the following qualification and has to perform the following job descriptions. Only one staff will operate for this position.

- Must be Bachelor Degree
- Well understanding Microsoft (Word, Excel, Internet, and Email)
- 1-year Experience in related background
- Planning for the purchase of raw materials
- Researching the suppliers (the best quality products or services at low prices)
- Good communication and negotiation skill with suppliers
- Developing good relations with suppliers

Accountant

At this position, an accountant might have enough knowledge and experiences in the accounting background. The staff has to manage and control well for this position and perform all tasks related to the company accounting. One staff is enough for the company accounting tasks.

- Must be Bachelor degree – LCCI Level (1&2)
- Microsoft Word, Excel
- Following accounting processes of the company
- Review daily transactions
- Preparing accounting related entries to numerous journals, registers and logs
- Develop, implement modify and document record-keeping and accounting systems

Marketing Staff

For this position, an employee has to perform for all marketing activities that the company wants to plan and implement. One marketing staff has to perform the tasks of the marketing activities.

The followings are employee qualification and job descriptions for the position.

Must be Bachelor degree

- At least 1-year experience in marketing field
- Understanding the company products and services
- Creating customer awareness for this brand
- Organizing the promotional events, advertising and certain tasks for building brands
- Building long-term relationships with the suppliers
- Gathering market information and customers' needs & wants in the Fashion industry.

Designer

The designers have the ability to create own product designs and their designs have to meet the customer needs and market demands. Two designers might perform for the product design developments. The qualifications and job description of the designers are as follows.

- Must be High School Level at least
- At least 1-year experience as a fashion designer
- Creative ideas for new product designs
- Analyzing Fashion trends in the market and anticipate fashion designs creations to meet the customers' needs
- Ability to use Computer-Aided Design (CAD) programs to create designs
- Selecting fabrics, embellishments, colors style for product development
- Ability of presentation the design ideas to other members
- Working with team members to create the designs
- Overseeing the final product designs production

Store Sale Staff

A sale person has a good communication and understands soft selling approach to persuade the customers gently and giving some suggestions in a customer product selection. Two sales staffs might take the responsibilities of the store sales. The job requirements for the store sale staff position are as follow.

- Must be High School Level at least
- Able to Understand Computer Basic (Office word)
- Good communication skills
- Be polite, honest, friendly
- Treating the customers to satisfy in their purchases
- Hard working and willing to learn for improvement

Online Sale Staff

Understanding the E-commerce business makes an advantage for selection of online sale staff. Online sale staff has enough experience in ordering process like right quantity, product sizes, and colors of the customer orders. Two sales staff might operate for online sales. The followings are the qualification and job requirement for the position of the online sale.

- Must be High School level at least
- Understanding online shopping, email, internet
- Able to well-manage the customers' orders
- Good communication skills
- Hard working, willing to learn, working with logistic suppliers
- Treating the customers to satisfy the experience of online hop

CHAPTER 4**MARKETING AND SALES PLAN****4.1 Marketing Objectives**

The actual objective of this marketing plan can be identified after defining the internal & external factors that impact to the company and focusing on the market segment, target groups and positioning within the industry. This is really crucial part of the marketing plan to use as a guideline and to measure the situation of the performance of the campaign to know if it has been succeeding or failed. In the literature review, the defining objective with SMART framework has been explained and this objective is followed that way.

- To get a sale minimum 4,500 products sales from both permanent store and online store in Yangon within 1 year after product launch.
- To get achieve 30% of brand awareness in Yangon, within the target group, within 1 year after product launch.
- To open up one more new permanent store in Yangon, after 1-year product launch.
- To build own website of the “Z//” brand after 1-year product launch.

4.2 Marketing Mix

Kotler and Armstron (2006) stated that marketing mix (product, price, place, and promotion) is the set of a controllable tactical marketing tool for the firm to produce the responses to the target market demand. Thus, this research is conducted with marketing mix (4Ps): Product, Price, Place and Promotion strategy to implement the good marketing plan. All “Z//” brand’s driving strategies are based on the industry analysis research.

4.2.1 Product and Service Strategy

The product strategy might be the “focused differentiation strategy”. This strategy is mainly focused on the product value (based on customers’ needs and wants) to pursue the customers by differentiation on the products.

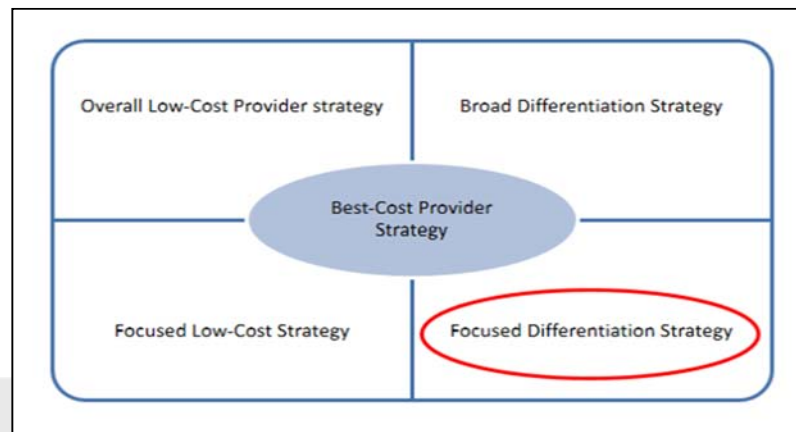


Figure 4.1 “Z//” Competitive Advantage Strategy Matrix

Source: Researcher, 2017

Product and service Differentiations

- Only 100% cotton textile (raw materials)
- Creating and developing product designs with own designers
- Monthly new product design developments
- Variety of product designs (Shirt, T-Shirt, Polo Shirt)
- Product Customization service for size and color of the “Z//” brand offering product designs (within a week)
- Product Return policy within three days after receiving products
- Fast Delivery Service of Online Shop (Next Day Delivery Service)
- Free delivery Service (Purchasing over Ks 40,000)

“Z//” brand will offer the upper-wear clothing such as Shirt, T-shirt, Polo shirt for both sexes. The own designers of the “Z//” brand will develop new product designs every month. The product will be produced minimum 1,000 products to enter the market. The products of the “Z//” brand will be produced at 300 units per month during the first year. The designers will be generating the product designs based on the combination of the national and international style. According to the fashion trends changing in local or international, designers might adapt the product designs creations.

The raw material of the “Z//” brand will be used with the best quality material based on the categories of the product development. Only 100% cotton raw materials

will be utilized for the products of the “Z//” brand because the weather is too hot in all seasons.

“Z//” brand will be generated the most customers desired & trendy color. Product sizes might be developed based on the current market situation (small, medium and large). However, the “Z//” brand will be fulfilled ordering the size and color of the customization service. Customers can order their product sizes and favorite colors based on the existing product designs of the “Z//” brand. But, customers have to wait a week to get the customized products after giving payments for the ordered products.

Product return policy will be provided to the customers. In this policy, customers can exchange the same price products or money back within three days after receiving the purchased products. But customers need to show the product purchase receipts to the shop and company will provide refund or product changes based on the customer wants. In the online shop, fast delivery service (Next Day Delivery Service) will be provided to promote the customer satisfaction on the “Z//” brand. Customer will receive the products the next day after ordering products. Free delivery service will also be provided if product purchase is over Ks. 40,000.

Products Categories

Shirt



T-Shirt



Polo Shirt



4.2.2 Pricing strategy

Another important factor is regarding the price of the products depending on customer costs for the product value. The pricing strategy of the “Z//” brand might be used the Market Penetration Strategy because “Z//” brand’s products are high quality at an affordable price than competitors.

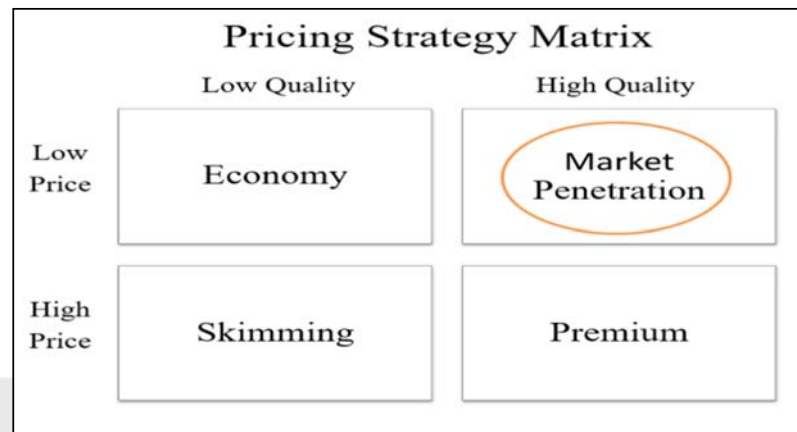


Figure 4.2 “Z//” Pricing Strategy Matrix

Source: Researcher, 2017

The price of the “Z//” brand will be depended on the product categories. The pricing strategy of this “Z//” brand is the type of Cost-based pricing strategy. Products are two different types such as short sleeves and long sleeves. Thus, the price will be ranged based on the product development costs and competitors’ product pricing.

The estimated Shirt product cost is 4500 Kyat per one unit, T-Shirt cost is 3300 Kyat per one unit and Polo Shirt cost is 3500 Kyat per one unit. The competitive brands mentioned in competitor analysis sell their products at different prices. In the market, the competitive brands sell their Shirt products between Ks. 10,000 to Ks. 17,000 and their T-shirt and Polo Shirts products between Ks. 7,000 to Ks. 13,000.

Thus, the price of the “Z//” brand’s Shirt products will be ranged between Ks 10,000 to Ks 15,000. The “Z//” brand’s T-Shirt and Polo Shirt product prices will be ranged between Ks 7,000 to Ks 10,000. In the long run, the price will be varied based on the product development costs and market situations.

4.2.3 Distribution and Place strategy

There are two types of distribution channels including a permanent store and Facebook online shop. The permanent store will be opened from 9 am to 8 pm. The main advantage of the permanent store is a customer can try and test the product in real whereas online shop leads product size, color, and so on. The online shop will be

worked from 6 am to 12 pm. Thus, customers can purchase the products in the opening time of the online shop.

As the “Z//” brand will create and build a brand which meets the customer expectation onto the brand when they use. For customer conveniences, these two distribution channels are really useful and can really support to build the “Z//” brand when it is implemented in the market.

The location strategy of the “Z//” brand’s stores have to consider the fact that the customers’ convenience for shopping of the “Z//” brand’s products. “Z//” brand plans to work with both types of permanent stores in a shopping mall and online shop. The main aim is to make sure the easy purchase of the products for the targeted customers.

According to the location analysis, there are three steps to analyze: (1) Overall market, (2) Trading area and (3) Site. Therefore, the target market segment of the “Z//” brand is Apparel market, the “Z//” brand’s catchment area might locate more populations area in order to meet the target market & target customers and the actual location of the store have to focus on customers’ convenience for purchasing the “Z//” brand products.

The location for opening the permanent store will be opened in Hledan Center, a shopping mall located in Hledan which is the junction of four main roads of Yangon such as Hledan road, Yangon-Pyay main road, Yangon-Insein road and New University Avenue road. It is located near the University of Yangon, University of Medicine-1, Foreign Language University, University of Education, many training institutes and IT learning centers. For online shopping, Facebook page will be opened for doing online sales of products and it is also fast direct communication channel with the customers. In addition, their own website page will be created after one year in order to get access easily information of the products of “Z//” brand for customers.

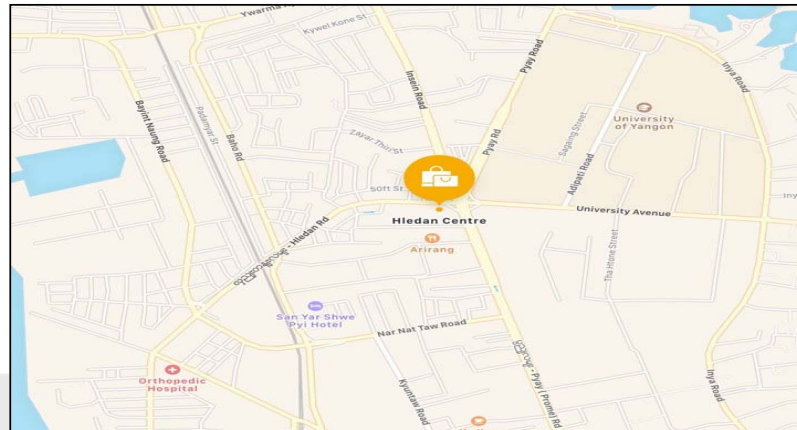


Figure 4.3 “Z//” store by Geographic Location

Source: Google Map (2017)

4.2.4 Promotion strategy

The Pull strategy is really useful to persuade the customers as a retail apparel business. The promotion strategy will be focusing on the Pull strategy with an appropriate integrated marketing channel and communication approach.

Newspaper, websites, and social media will play a critical role to deliver the promotion plan messages to the target group when it is created. Furthermore, both online and offline sales activities will be utilized for “Z//” brand promotional strategy.

The target customers might persuade by giving different types of promotion plans. There are three types of sales promotion for “Z//” brand such as online sale promotion, weekly sales promotion on the special items and special discount offers in special days of the country. The “Z//” brand will mainly use the discount and cash back plans as the promotion plans.

4.3 Sales Management (Sales Planning, Sales Approach, and Sales Force)

The objective of the sale planning is to start penetrating into the market in order to get the brand awareness within the target customers and market in Yangon. As a new brand, branding strategy is really important to get the familiarity of the target customers with the “Z//” brand offering products and services. Thus, the aggressive marketing tactics and customer service operations are essential performances of the company to persuade the customers. In the permanent store, sales staffs might use soft-sell approach

to the customers by providing some suggestion in deciding on a selection. Customers could get the different shopping experience and meet the actual needs. According to the product strategy, the “Z//” brand products will be produced a total number of 300 products per one month in the first year. The sale forces have to follow-up the manufactured stocks selling point. The following advertising and communication activities can help to reach the target sale selling point.

4.4 Advertising and communication channels

The choice of advertising and communication channels is really crucial to delivering the product or brand messages to the target group through the chosen channel.

To perform the effective marketing channels, five communication channels will be utilized as the marketing plan such as Social Media, Website, AdWords, Print Ads and Taxi Ads. All the communication in this marketing plan will offer based on the information of the products & services of the brand.

4.4.1 Social Media

Social media usage in Myanmar is increasing from year to year and most of the business stands for their advertising and communication on the social media to reach the messages through the target group. This makes positive impacts on the advertising costs and quick access delivering a message to a large number of the users. That is why the use of the social media over the world is on the top.

Facebook

Facebook is No (1) social media application in Myanmar. Facebook users will be utilized in many different ways. Myanmar Facebook users’ statistic was 63.07% in July 2016 and it was increasing till 95.62% in July 2017 (Statcounter Globalstats, 2017). In Myanmar, the total numbers of the Facebook account are over 1.18 million.

According to the Facebook user statistic in Myanmar, Age and Demographics are 36% of Women who are 55% of 18-24 ages and 64% of Men who are 57% of 18-24 ages. The main target customer of the “Z//” brand is Yangon in Myanmar which is 50% usage of Facebook (Myanmar Entrepreneur, 2017).

The communication plan can be worked mainly by Facebook because the target customers are almost fit with this. In “Z//” brand Myanmar Facebook page profile, updating relevant news and marketing information will be posted to know well to the followers. Furthermore, Facebook helps to provide the convenience of the customers for supporting the required information and good online shopping experience of the “Z//” brand.



Figure 4.4 The example of Facebook ads

Source: Myanmarnet (2017)

Instagram Page

Instagram is a growing social media in Myanmar. Most of the educated people use both Facebook and Instagram which is the target group of the “Z//” brand. Thus, another communication plan can be enhanced with this through to the target group. Instagram will be used by “Z//” brand page for the marketing and communication plan to advertise the “Z//” brand’s products besides Facebook page.



Figure 4.5 The example of Instagram page

Source: Smart Resource (2017)

4.4.2 AdWords

99% of the Myanmar people use the Google or Gmail for various purposes (MM Advertisement, 2017). Thus, advertising with Google Ad makes to widespread of users through Gmail and Google search. This cannot complicate to the “Z//” brand for every transaction time of the advertising like own marketing channels then this provides supporting the low Ad costs to the “Z//” brand.

Other Ad channels are MC Ad, 7 Days New Journal and Eleven Media Group. MC Ad means that it is a type of the interview video about the Celebrity daily routines. Before starting the actual interview, Ad can be put and this is working so long time for one Ad on Facebook, Instagram, and YouTube. 7 Days New Journal and Eleven Media Group are also the same Ad type but this is mainly for current news within the country. Advertising with this channels make quick sending message to the users and it is affordable price than TV ads. “Z//” brand can use these kinds of channels to deliver the important message of the brands to all of the potential target groups.

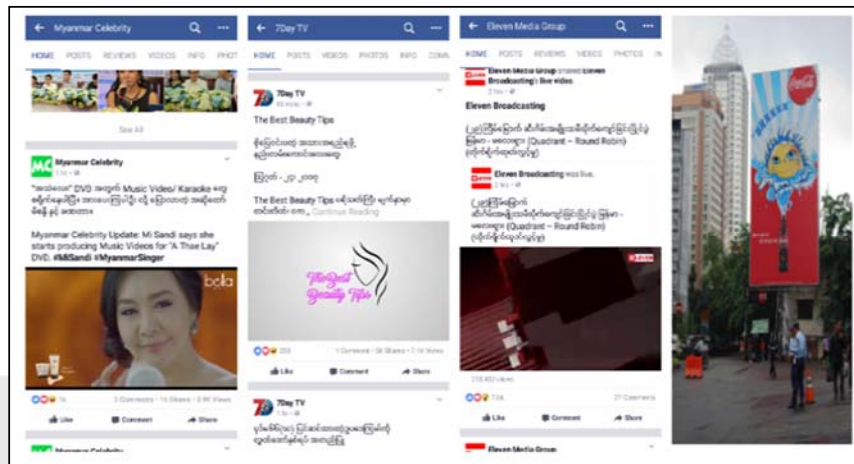


Figure 4.6 The example of Adwords

Source: MC, 7 Days, Eleven and Billboard (2017)

Billboard advertising is one of the most useful offline marketing channels for the marketers in Myanmar. It is really special Ad type and the location of the Billboard is easy to notice for the customers but it is not too cheap though useful for “Z//” brand.

4.4.3 Print Ads

Kyaymon is a daily newspaper which has strong customers than other daily newspaper (myannar.net, 2017). As mention above, print Ads just like newspapers are not cheaper than digital marketing channels. Print Ads channel involves boosting the awareness of the “Z//” brand. People Magazine, a type of weekly Fashion Magazine, will be used as another print Ad of “Z//” brand. Most of the teenagers prefer reading this kind of Fashion Magazine for their lifestyle. These print Ads will communicate the “Z//” brand with potential target customers.



Figure 4.7 The example of Print Ads

Source: Kyaymon and Popular Journal (2017)

4.4.4 Taxi Ads

Another marketing idea is the use of the marketing posters on the Taxi called Taxi Ads. The advantage of this channel provides reaching to the wide range of customers because Taxi travels all over the Yangon areas daily. Poster with the quality message will be attached to the whole body of the car. Although it is neither too cheap nor too expensive, it really fulfills to spread the message of the “Z//” brand through the Yangon region.



Figure 4.8 The example of Taxi ads

Source: MyanmarNet (2017)

4.5 Time Frame and Task Assignment

The following Gantt chart shows the responsible person for the task and the time frame for a one-year marketing plan.

Activity/Month	1	2	3	4	5	6	7	8	9	10	11	12
Social Media												
Facebook	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM
Instagram	MM	MM			MM	MM			MM	MM		
Adword												
Google Adword	MM	MM	MM		MM	MM	MM		MM	MM	MM	
MC Adword	MS	MS	MS				MS	MS	MS			
7Days New Journal	MS	MS	MS	MS			MS	MS	MS	MS		
Eleven Media Group					MS	MS	MS	MS			MS	MS
Billboard		MM	MM	MM								
News / Info website												
Kyaymon Newspaper	MS	MS	MS									
People Magazine			MS	MS	MS							
Public transportation												
Taxi	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM	MM
Customer Service	CS	CS	CS	CS	CS	CS	CS	CS	CS	CS	CS	CS
Control and Evaluation	CD	CD	CD	CD	CD	CD	CD	CD	CD	CD	CD	CD

Figure 4.9 “Z//” Gantt Chart

Source: Researcher, 2017

MM (Myanmar Advertising Agency) will take responsibilities for Social Media (Facebook, Instagram), Google Adwords, Billboard and Taxi Ads. “Z//” brand’s marketing staff might contact MM Agency for putting Ads. When “Z//” brand start entering the market, it is needed to advertise more in order to increase the brand awareness. Thus, Instagram use 2-month interval of advertising and Google Adwords uses three-month interval and only three months for Billboard.

The marketing staff will take responsibilities for Newspaper and People magazine marketing tasks and Adwords such as MC Adword, 7Days New Journal, Eleven Media Group as well. For the customer service, store sales and online sales staffs have to take responsibilities to provide better customer service than customer expectation.

The last customer service sector is a major role for the “Z//” brand and this will be run by all of the staffs in “Z//” company, handled by Company Director who is also taking responsibility for the whole evaluation and control process.

4.6 Marketing Plan Budget

Marketing Plan Budget will be developed as one-year marketing campaign plan shown in below.

Table 4.1 Marketing Plan Budget

Marketing Element	Info	Month	Unit	Cost (Kyat)
Social Media				
Facebook	115,000 Ks per month	12	1	1,380,000
Instagram	100,000 Ks per month	6	1	600,000
Adword				
Google Adword	115,000 Ks per month	9	1	1,035,000
MC Adword	45,000 Ks per one video	6	2 videos per month	540,000
7Days New Journal	60,000 Ks per one video	8	4 videos per month	1,920,000
Eleven Media Group	60,000 Ks per one video	6	4 videos per month	1,440,000
Billboard	700,000 Ks per three months	3	1	700,000
News				
Kyaymon Newspaper	48,300 Ks per 6 square inch	3	4 times per one month	579,600
People Magazine	400,000 Ks per 1 page	3	2 times per one month	120,000
Public Transportation				
Taxi Ads	519,750 Ks per car in a year	12	2	1,039,500
Total Costs				<u>Ks 9,354,100</u>

CHAPTER 5

OPERATIONAL PLAN

5.1 Human Resource Needs

For selecting the raw materials (textile) process, the designers and procurement staff have to perform to achieve good quality products at cheap costs. The designers have to choose the required raw materials for the product developments and they have to design the products to meet the market and customer needs. The procurement staff has to collect the required data to find the best suppliers of the raw materials, manufacturers, and logistics. Then, he/she has to choose the best supplier to work with the company. The marketing staff has to take all tasks related to the sale and marketing activities and customer service management. He/she also have to manage and control the Store sale staffs and Online sale staffs. The Store and online sale staffs have to communicate the customer well and reach the target sale points. They also need to maintain the customer relationship to become loyal customers of the “Z//” brand. The accountant has to do all tasks related to the accounting processes of the company.

5.2 Physical Facilities Requirements

The furniture and some fashion demonstration equipment will be needed for the permanent store decoration and online store working place. The telephone is an important thing to communicate the customers mainly for the online shop customers and Computers are essential to record the sales in the permanent store, designing the products, accounting tasks, and online product sells and marketing activities in the online shop. The security cameras are also essential to prevent the customer deceiving problems.

5.3 Technological Resource Needs

Point-of-sale System, Inventory Management technology, and Communication technology are essential for a clothing business. The point-of-sale system is a software program attached to cash registers which speed up the transaction process to reduce the possibility of human error. Inventory management technology is designed to add

reliability to inventory accounting, reduce incidents of theft and facilitate inventory audits. Communication technology is essential for a business which serves consumers directly. A clothing store should equip the multiple telephones connected to an outside and an internal network. In addition, the internet network must equip for the E-commerce (online shop). Customers can contact the stores directly to ask the questions about the offering products or services.

5.4 Logistics and Supply chain Management Plan

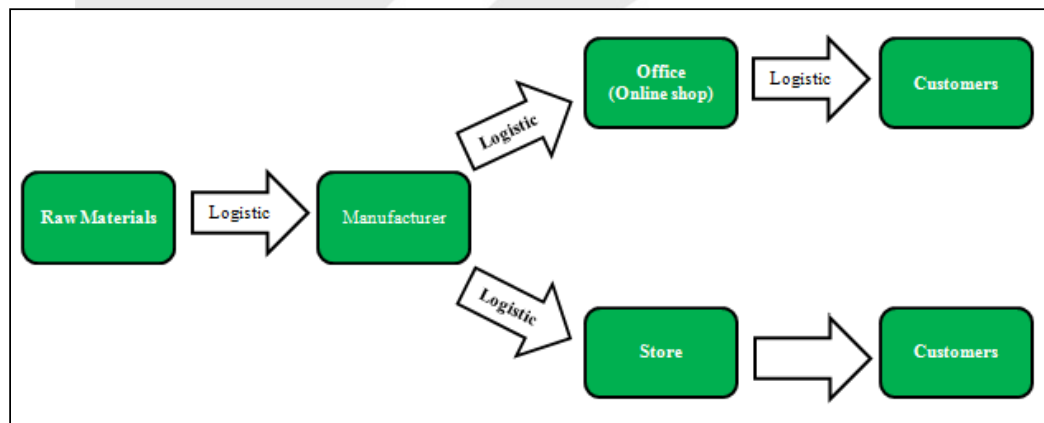


Figure 5.1 Supply Chain Model

Source: Researcher, 2017

The “Z//” brand is worked with suppliers for raw materials, logistics, manufacturing process. The designers have to develop the product designs and choose the required raw material (textile). Thus, The overall supply chain management plan will start from purchasing the raw materials (Textile). The raw materials will be purchased from a raw material supplier (U Aung Textile). And the “Z//” brand has a partnership with Shwe Taw Win Garment for the product manufacturing process. When the products are finished and ready to sell, the finished products will be directly sent to the office and store at the required stocks. The permanent store and online shop are the direct distribution channels to the customers. Customers can buy directly at the permanent store and online shop. Next Day delivery service will also be provided by the online shop. All logistic tasks will be worked with the logistic service (Ko Myo

CHAPTER 6

FINANCIAL PLAN

The estimation start-up costs of the “Z//” brand is Ks. 30,000,000. All investment expenses of the “Z//” brand company will be invested as a sole partnership by Zin Min Wai. All financial budgets are calculated Myanmar Currency (Kyat).

Table 6.1 Total Sources of Funding of the “Z//” Brand

Sources of Funding	Amount	Totals
Owner's Equity	100.00%	30,000,000
Outside Investors	0.00%	-
Total Sources of Funding	100.00%	\$ 30,000,000

The “Z//” brand has total 10 Full-time employees: one procurement staff, one accountant, one marketing staff, two designers, two store sale staff and two online sale staff. Their monthly salaries and wages are as follows. A company which has above total 15 employees have to give the payroll taxes to the government. Only 10 employees including Company Owner are working in this business. Thus, payroll taxes can be neglected in calculating the salaries and wages of the “Z//” Brand.

Table 6.2 Salaries and Wages of the “Z//” Brand

"Z//” Brand							
Salaries and Wages							
Myanmar Currency (Kyat)							
	#	Assumptions	Wages	Monthly	Year One	Year Two	Year Three
Percent Change						3%	3%
Salaries and Wages							
Owner's Compensation	0			350,000	4,200,000	4,326,000	4455780
Salaries	0						
Procurement Staff				150,000	1,800,000	1,854,000	1909620
Accountant				180,000	2,160,000	2,224,800	2291544
Marketing Staff				200,000	2,400,000	2,472,000	2546160
Designer				340,000	4,080,000	4,202,400	4328472
Store Sale Staff				200,000	2,400,000	2,472,000	2546160
Online Sale Staff				200,000	2,400,000	2,472,000	2546160
Total Salaries				1,620,000	19,440,000	20,023,200	20,623,896

The “Z//” company will rent a store and an office for business operation. Fixed expenses, Ks 950,000 will be used in order to decorate and leasehold improvement. The “Z//” Brand company need to use for physical facilities including furniture, equipment, computer, telephone, and security camera for office in the online sale and permanent store. The required Start-up funds also include one month staff’s salary and a temporary staff for ten days during the preparation required resources to lunch the “Z//” brand, over 1,000 product stocks costly Ks. 5,000,000, 6-month rent deposits for office and store, one-month advertising and promotion costs, supplies, Licenses fees and working capital (cash on hand). The following table shows the total required Start-up funds of the “Z//” company which include the total fixed assets and total operating capital.

Table 6.3 Total Required Start-Up Funds of the “Z//” Brand

Required Start-Up Funds	Amount	Totals
Fixed Assets		
Real Estate-Land	\$ -	
Buildings	-	
Leasehold Improvements	950,000	
Equipment	400,000	
Furniture and Fixtures	1,800,000	
Other Fixed Assets	1,600,000	
Total Fixed Assets		<u>4,750,000</u>
Operating Capital		
Pre-Opening Salaries and Wages	1,670,000	
Inventory	5,000,000	
Rent Deposits	4,800,000	
Supplies	30,000	
Advertising and Promotions	850,000	
Licenses	195,000	
Working Capital (Cash On Hand)	12,705,000	
Total Operating Capital		<u>25,250,000</u>
Total Required Funds		<u><u>\$ 30,000,000</u></u>

The Fixed Operating Expense include advertising costs, bank fees for money transfers to the suppliers, miscellaneous costs, insurance costs, license fees, legal and

professional fees, office expenses and supplies, rent of the store and office, sale and marketing expenses, taxes-other, telephone & communication costs, travel costs and utilities such as water and electricity bills. All estimated expenses are calculated monthly to yearly (year one, year two and year three).

Total 6.4 Fixed Operating Expenses of the “Z//” Brand

“Z//” Brand Fixed Operating Expenses

Fixed Operating Expenses	Monthly	Year One	Year Two	Year Three
Percent Change			3.00%	3.00%
Expenses				
Advertising	\$ 779,500	9,354,000	9,634,620	9,923,659
Bank & Merchant Fees	5,000	60,000	61,800	63,654
Miscellaneous	15,000	180,000	185,400	190,962
Insurance (Liability and Property)	30,000	360,000	370,800	381,924
Licenses/Fees/Permits	33,000	396,000	407,880	420,116
Legal and Professional Fees	17,000	204,000	210,120	216,424
Office Expenses & Supplies	30,000	360,000	370,800	381,924
Rent (Store and Office)	800,000	9,600,000	9,888,000	10,184,640
Sales & Marketing	50,000	600,000	618,000	636,540
Taxes-Other	30,000	360,000	370,800	381,924
Telephone and Communications	100,000	1,200,000	1,236,000	1,273,080
Travel	25,000	300,000	309,000	318,270
Utilities	60,000	720,000	741,600	763,848
Total Expenses	1,974,500	23,694,000	24,404,820	25,136,965
Other Expenses				
Depreciation	72,738	872,857	872,857	872,857
Total Fixed Operating Expenses	\$ 2,047,238	\$ 24,566,857	\$ 25,277,677	\$ 26,009,822

The “Z//” brand offer three product categories such as Shirt products, T-Shirt products, and Polo Shirt products. The following three tables show the projected sale forecast in each product during year one, year two and year three growths. In the growth of the product from year to year, the “Z//” brand will be forecasted equal growth (25%) in all products to reach the target sales and profits. And Breakeven Sales Revenues and Units can be seen in each product categories.

Table 6.5 Shirt Projected Sales Forecast of the “Z//” Brand

"Z/" Brand
Projected Sales Forecast

Products and Services	Assumptions	%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Shirt															
Price Per Unit	\$ 15,000.00	100.00%													
Variable Cost Per Unit	\$ 4,500.00	30.00%													
Gross Margin Per Unit	\$ 10,500.00	70.00%													
Projected Unit Sales															
Seasonality Factor			3.93%	4.49%	5.06%	5.62%	6.18%	7.30%	8.43%	9.55%	10.67%	11.80%	12.92%	14.04%	100.00%
Year One			70	80	90	100	110	130	150	170	190	210	230	250	1,780
Year Two Growth	25.00%		88	100	113	125	138	163	188	213	238	263	288	313	2,225
Year Three Growth	25.00%		109	125	141	156	172	203	234	266	297	328	359	391	2,781
Overhead Exp Allocation	50.00%														
Projected Revenue	\$ 26,700,000														
Variable Costs	8,010,000														
Gross Margin	18,690,000														
Overhead Expenses	21,523,429														
Profit	(2,833,429)	-10.61%													
Breakeven Sales Revenue	\$ 30,747,755.10														
Breakeven Sales Units	2,050														

Table 6.6 T-Shirt Projected Sales Forecast of the "Z/" Brand

T-Shirt	Assumptions	%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Price Per Unit	\$ 10,000.00	100.00%													
Variable Cost Per Unit	\$ 3,300.00	33.00%													
Gross Margin Per Unit	\$ 6,700.00	67.00%													
Projected Unit Sales															
Seasonality Factor			3.59%	4.25%	4.90%	5.56%	6.21%	6.86%	8.17%	9.48%	10.78%	12.09%	13.40%	14.71%	100.00%
Year One			55	65	75	85	95	105	125	145	165	185	205	225	1,530
Year Two Growth	25.00%		69	81	94	106	119	131	156	181	206	231	256	281	1,913
Year Three Growth	25.00%		86	102	117	133	148	164	195	227	258	289	320	352	2,391
Overhead Exp Allocation	16.67%														
Projected Revenue	\$ 15,300,000														
Variable Costs	5,049,000														
Gross Margin	10,251,000														
Overhead Expenses	7,174,476														
Profit	3,076,524	20.11%													
Breakeven Sales Revenue	\$ 10,708,173.42														
Breakeven Sales Units	1,071														

Table 6.7 Polo Shirt Projected Sales Forecast of the "Z/" Brand

Products and Services	Assumptions	%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Polo Shirt															
Price Per Unit	\$ 10,000.00	100.00%													
Variable Cost Per Unit	\$ 3,500.00	35.00%													
Gross Margin Per Unit	\$ 6,500.00	65.00%													
Projected Unit Sales															
Seasonality Factor			3.77%	4.40%	5.03%	5.66%	6.29%	6.92%	8.18%	9.43%	10.69%	11.95%	13.21%	14.47%	100.00%
Year One			60	70	80	90	100	110	130	150	170	190	210	230	1,590
Year Two Growth	25.00%		75	88	100	113	125	138	163	188	213	238	263	288	1,988
Year Three Growth	25.00%		94	109	125	141	156	172	203	234	266	297	328	359	2,484
Overhead Exp Allocation	16.67%														
Summary															
Projected Revenue	\$ 15,900,000														
Variable Costs	5,585,000														
Gross Margin	10,335,000														
Overhead Expenses	7,174,476														
Profit	3,160,524	19.88%													
Breakeven Sales Revenue	\$ 11,037,655.68														
Breakeven Sales Units	1,104														

Projected Profits

The following tables include the “Z//” company’s Income Statement, Cash Flow Statement, and Balance Sheet for three years. The first three tables show the first year company financial situation, the fourth-sixth tables show the second year company financial situation and the seventh-ninth tables show the third year company financial situation. In Balance Sheet, there are no liabilities because the “Z//” company will purchase the product by all cash without credits. And there is no account receivable in the Cash Flow Statement because the company will not sell their products with credits and company uses the direct distribution channels which don’t need to collect all monies lately.

Table 6.8 Year One Projected Income Statement of the “Z//” Brand

"Z/" Brand
Projected Income Statement - Year One

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Shirt	1,050,000	1,200,000	1,350,000	1,500,000	1,650,000	1,950,000	2,250,000	2,550,000	2,850,000	3,150,000	3,450,000	3,750,000	26,700,000
T-Shirt	550,000	650,000	750,000	850,000	950,000	1,050,000	1,250,000	1,450,000	1,650,000	1,850,000	2,050,000	2,250,000	15,300,000
Polo Shirt	600,000	700,000	800,000	900,000	1,000,000	1,100,000	1,300,000	1,500,000	1,700,000	1,900,000	2,100,000	2,300,000	15,900,000
Total Income	2,200,000	2,550,000	2,900,000	3,250,000	3,600,000	4,100,000	4,800,000	5,500,000	6,200,000	6,900,000	7,600,000	8,300,000	57,900,000
Cost of Sales													
Shirt	315,000	360,000	405,000	450,000	495,000	585,000	675,000	765,000	855,000	945,000	1,035,000	1,125,000	8,010,000
T-Shirt	181,500	214,500	247,500	280,500	313,500	346,500	412,500	478,500	544,500	610,500	676,500	742,500	5,049,000
Polo Shirt	210,000	245,000	280,000	315,000	350,000	385,000	455,000	525,000	595,000	665,000	735,000	805,000	5,565,000
Total Cost of Sales	706,500	819,500	932,500	1,045,500	1,158,500	1,316,500	1,542,500	1,768,500	1,994,500	2,220,500	2,446,500	2,672,500	18,624,000
Gross Margin	1,493,500	1,730,500	1,967,500	2,204,500	2,441,500	2,783,500	3,257,500	3,731,500	4,205,500	4,679,500	5,153,500	5,627,500	39,276,000
Total Salary and Wages	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	19,440,000
Fixed Business Expenses													
Advertising	779,500	779,500	779,500	779,500	779,500	779,500	779,500	779,500	779,500	779,500	779,500	779,500	9,354,000
Bank & Merchant Fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Miscellaneous	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Insurance (Liability and Property)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Licenses/Fees/Permits	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	396,000
Legal and Professional Fees	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	204,000
Office Expenses & Supplies	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Rent (Store and Office)	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	9,600,000
Sales & Marketing	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
Taxes-Other	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Telephone and Communications	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
Travel	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Utilities	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Total Fixed Business Expenses	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	23,694,000
Other Expenses													
Amortized Start-up Expenses	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	2,515,000
Depreciation	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	872,857
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	3,387,857
Net Income	(2,383,321)	(2,146,321)	(1,909,321)	(1,672,321)	(1,435,321)	(1,093,321)	(619,321)	(145,321)	328,679	802,679	1,276,679	1,750,679	(7,245,857)

Table 6.9 Year One Projected Cash Flow Statement of the "Z/" Brand

"Z/" Brand
Projected Cash Flow Statement - Year One

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
Beginning Cash Balance	12,705,000	10,604,000	8,740,000	7,113,000	5,723,000	4,570,000	3,759,000	3,422,000	3,559,000	4,170,000	5,255,000	6,814,000		
Cash Inflows														
Income from Sales	2,200,000	2,550,000	2,900,000	3,250,000	3,600,000	4,100,000	4,800,000	5,500,000	6,200,000	6,900,000	7,600,000	8,300,000	57,900,000	
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Inflows	2,200,000	2,550,000	2,900,000	3,250,000	3,600,000	4,100,000	4,800,000	5,500,000	6,200,000	6,900,000	7,600,000	8,300,000	57,900,000	
Cash Outflows														
Investing Activities														
Cost of Sales	706,500	819,500	932,500	1,045,500	1,158,500	1,316,500	1,542,500	1,768,500	1,994,500	2,220,500	2,446,500	2,672,500	18,624,000	
Operating Activities														
Salaries and Wages	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	1,620,000	19,440,000	
Fixed Business Expenses	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	1,974,500	23,694,000	
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Outflows	4,301,000	4,414,000	4,527,000	4,640,000	4,753,000	4,911,000	5,137,000	5,363,000	5,589,000	5,815,000	6,041,000	6,267,000	61,758,000	
Cash Flow	(2,101,000)	(1,864,000)	(1,627,000)	(1,390,000)	(1,153,000)	(811,000)	(337,000)	137,000	611,000	1,085,000	1,559,000	2,033,000	(3,858,000)	
Operating Cash Balance	10,604,000	8,740,000	7,113,000	5,723,000	4,570,000	3,759,000	3,422,000	3,559,000	4,170,000	5,255,000	6,814,000	8,847,000		
Ending Cash Balance	10,604,000	8,740,000	7,113,000	5,723,000	4,570,000	3,759,000	3,422,000	3,559,000	4,170,000	5,255,000	6,814,000	8,847,000		

Table 6.10 Year One Balance Sheet of the "Z/" Brand

**"Z//” Brand
Balance Sheet - Year One**

	<u>Base Period</u>	<u>End of Year One</u>
Assets		
Current Assets		
Cash	12,705,000	8,847,000
Inventory	5,000,000	5,000,000
Prepaid Expenses	7,545,000	5,030,000
Total Current Assets	<u>25,250,000</u>	<u>18,877,000</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	950,000	950,000
Equipment	400,000	400,000
Furniture and Fixtures	1,800,000	1,800,000
Other Fixed Assets	1,600,000	1,600,000
Total Fixed Assets	<u>4,750,000</u>	<u>4,750,000</u>
Less: Accumulated Depreciation	-	872,857
Total Assets	<u><u>30,000,000</u></u>	<u><u>22,754,142</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Loan Payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Owner's Equity		
Common Stock	30,000,000	30,000,000
Retained Earnings	-	(7,245,857)
Total Owner's Equity	<u>30,000,000</u>	<u>22,754,143</u>
Total Liabilities and Owner's Equity	<u><u>30,000,000</u></u>	<u><u>22,754,142</u></u>
	Statement Balances	Statement Balances

Table 6.11 Year Two Projected Income Statement of the “Z//” Brand

"Z/" Brand
Projected Income Statement - Year Two

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Shirt	1,312,500	1,500,000	1,687,500	1,875,000	2,062,500	2,437,500	2,812,500	3,187,500	3,562,500	3,937,500	4,312,500	4,687,500	33,375,000
T-Shirt	687,500	812,500	937,500	1,062,500	1,187,500	1,312,500	1,562,500	1,812,500	2,062,500	2,312,500	2,562,500	2,812,500	19,125,000
Polo Shirt	750,000	875,000	1,000,000	1,125,000	1,250,000	1,375,000	1,625,000	1,875,000	2,125,000	2,375,000	2,625,000	2,875,000	19,875,000
Total Income	2,750,000	3,187,500	3,625,000	4,062,500	4,500,000	5,125,000	6,000,000	6,875,000	7,750,000	8,625,000	9,500,000	10,375,000	72,375,000
Cost of Sales													
Shirt	393,750	450,000	506,250	562,500	618,750	731,250	843,750	956,250	1,068,750	1,181,250	1,293,750	1,406,250	10,012,500
T-Shirt	226,875	268,125	309,375	350,625	391,875	433,125	515,625	598,125	680,625	763,125	845,625	928,125	6,311,250
Polo Shirt	262,500	306,250	350,000	393,750	437,500	481,250	568,750	656,250	743,750	831,250	918,750	1,006,250	6,956,250
Total Cost of Sales	883,125	1,024,375	1,165,625	1,306,875	1,448,125	1,645,625	1,928,125	2,210,625	2,493,125	2,775,625	3,058,125	3,340,625	23,280,000
Gross Margin	1,866,875	2,163,125	2,459,375	2,755,625	3,051,875	3,479,375	4,071,875	4,664,375	5,256,875	5,849,375	6,441,875	7,034,375	49,095,000
Total Salary and Wages	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	20,023,200
Fixed Business Expenses													
Advertising	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	9,634,620
Bank & Merchant Fees	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,800
Miscellaneous	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	185,400
Insurance (Liability and Property)	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Licenses/Fees/Permits	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	407,880
Legal and Professional Fees	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	210,120
Office Expenses & Supplies	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Rent (Store and Office)	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	9,888,000
Sales & Marketing	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	618,000
Taxes-Other	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Telephone and Communications	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	1,236,000
Travel	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	309,000
Utilities	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	741,600
Total Fixed Business Expenses	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	24,404,820
Other Expenses													
Amortized Start-up Expenses	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	2,515,000
Depreciation	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	872,857
Taxes	-	-	-	-	-	-	-	-	-	-	106,964	651,860	758,825
Total Other Expenses	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	389,286	934,182	4,146,682
Net Income	(2,117,781)	(1,821,531)	(1,525,281)	(1,229,031)	(932,781)	(505,281)	87,219	679,719	1,272,219	1,864,719	2,350,254	2,397,858	520,298

Table 6.12 Year Two Projected Cash Flow Statement of the "Z/" Brand

"Z/" Brand
Projected Cash Flow Statement - Year Two

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	8,847,000	7,011,540	5,472,330	4,229,370	3,282,660	2,632,200	2,409,240	2,778,780	3,740,820	5,295,360	7,442,400	10,181,940	
Cash Inflows													
Income from Sales	2,750,000	3,187,500	3,625,000	4,062,500	4,500,000	5,125,000	6,000,000	6,875,000	7,750,000	8,625,000	9,500,000	10,375,000	72,375,000
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	2,750,000	3,187,500	3,625,000	4,062,500	4,500,000	5,125,000	6,000,000	6,875,000	7,750,000	8,625,000	9,500,000	10,375,000	72,375,000
Cash Outflows													
Investing Activities													
Cost of Sales	883,125	1,024,375	1,165,625	1,306,875	1,448,125	1,645,625	1,928,125	2,210,625	2,493,125	2,775,625	3,058,125	3,340,625	23,280,000
Operating Activities													
Salaries and Wages	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	20,023,200
Fixed Business Expenses	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	24,404,820
Taxes	-	-	-	-	-	-	-	-	-	-	-	758,825	758,825
Total Cash Outflows	4,585,460	4,726,710	4,867,960	5,009,210	5,150,460	5,347,960	5,630,460	5,912,960	6,195,460	6,477,960	6,760,460	7,801,785	68,466,845
Cash Flow	(1,835,460)	(1,539,210)	(1,242,960)	(946,710)	(650,460)	(222,960)	369,540	962,040	1,554,540	2,147,040	2,739,540	2,573,215	3,908,155
Operating Cash Balance	7,011,540	5,472,330	4,229,370	3,282,660	2,632,200	2,409,240	2,778,780	3,740,820	5,295,360	7,442,400	10,181,940	12,755,155	
Ending Cash Balance	7,011,540	5,472,330	4,229,370	3,282,660	2,632,200	2,409,240	2,778,780	3,740,820	5,295,360	7,442,400	10,181,940	12,755,155	



Table 6.13 Year Two Balance Sheet of the “Z//” Brand

**"Z//” Brand
Balance Sheet - Year Two**

	<u>End of Year One</u>	<u>End of Year Two</u>
Assets		
Current Assets		
Cash	8,847,000	12,755,155
Inventory	5,000,000	5,000,000
Prepaid Expenses	5,030,000	2,515,000
Total Current Assets	<u>18,877,000</u>	<u>20,270,155</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	950,000	950,000
Equipment	400,000	400,000
Furniture and Fixtures	1,800,000	1,800,000
Other Fixed Assets	1,600,000	1,600,000
Total Fixed Assets	<u>4,750,000</u>	<u>4,750,000</u>
Less: Accumulated Depreciation	872,857	1,745,714
Total Assets	<u><u>22,754,142</u></u>	<u><u>23,274,441</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Notes Payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Owner's Equity		
Common Stock	30,000,000	30,000,000
Retained Earnings	(7,245,857)	(6,725,559)
Total Owner's Equity	<u>22,754,143</u>	<u>23,274,441</u>
Total Liabilities and Owner's Equity	<u><u>22,754,142</u></u>	<u><u>23,274,441</u></u>

Statement Balances

Statement Balances

Table 6.14 Year Three Projected Income Statement of the “Z//” Brand

"Z/" Brand
Projected Income Statement - Year Two

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Income													
Shirt	1,312,500	1,500,000	1,687,500	1,875,000	2,062,500	2,437,500	2,812,500	3,187,500	3,562,500	3,937,500	4,312,500	4,687,500	33,375,000
T-Shirt	687,500	812,500	937,500	1,062,500	1,187,500	1,312,500	1,562,500	1,812,500	2,062,500	2,312,500	2,562,500	2,812,500	19,125,000
Polo Shirt	750,000	875,000	1,000,000	1,125,000	1,250,000	1,375,000	1,625,000	1,875,000	2,125,000	2,375,000	2,625,000	2,875,000	19,875,000
Total Income	2,750,000	3,187,500	3,625,000	4,062,500	4,500,000	5,125,000	6,000,000	6,875,000	7,750,000	8,625,000	9,500,000	10,375,000	72,375,000
Cost of Sales													
Shirt	393,750	450,000	506,250	562,500	618,750	731,250	843,750	956,250	1,068,750	1,181,250	1,293,750	1,406,250	10,012,500
T-Shirt	226,875	268,125	309,375	350,625	391,875	433,125	515,625	598,125	680,625	763,125	845,625	928,125	6,311,250
Polo Shirt	262,500	306,250	350,000	393,750	437,500	481,250	568,750	656,250	743,750	831,250	918,750	1,006,250	6,956,250
Total Cost of Sales	883,125	1,024,375	1,165,625	1,306,875	1,448,125	1,645,625	1,928,125	2,210,625	2,493,125	2,775,625	3,058,125	3,340,625	23,280,000
Gross Margin	1,866,875	2,163,125	2,459,375	2,755,625	3,051,875	3,479,375	4,071,875	4,664,375	5,256,875	5,849,375	6,441,875	7,034,375	49,095,000
Total Salary and Wages	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	1,668,600	20,023,200
Fixed Business Expenses													
Advertising	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	802,885	9,634,620
Bank & Merchant Fees	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,800
Miscellaneous	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	15,450	185,400
Insurance (Liability and Property)	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Licenses/Fees/Permits	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	33,990	407,880
Legal and Professional Fees	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	17,510	210,120
Office Expenses & Supplies	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Rent (Store and Office)	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	824,000	9,888,000
Sales & Marketing	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	51,500	618,000
Taxes-Other	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900	370,800
Telephone and Communications	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	103,000	1,236,000
Travel	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	25,750	309,000
Utilities	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	61,800	741,600
Total Fixed Business Expenses	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	2,033,735	24,404,820
Other Expenses													
Amortized Start-up Expenses	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	209,583	2,515,000
Depreciation	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	72,738	872,857
Taxes	-	-	-	-	-	-	-	-	-	-	106,964	651,860	758,825
Total Other Expenses	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	282,321	389,286	934,182	4,146,682
Net Income	(2,117,781)	(1,821,531)	(1,525,281)	(1,229,031)	(932,781)	(505,281)	87,219	679,719	1,272,219	1,864,719	2,350,254	2,397,858	520,298

Table 6.15 Year Three Projected Cash Flow Statement of the "Z/" Brand

"Z/" Brand
Projected Cash Flow Statement - Year Three

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Beginning Cash Balance	12,755,155	11,275,344	10,165,845	9,426,659	9,057,785	9,059,224	9,595,038	10,871,476	12,888,540	15,198,943	18,697,256	22,936,195	
Cash Inflows													
Income from Sales	3,437,500	3,984,375	4,531,250	5,078,125	5,625,000	6,406,250	7,500,000	8,593,750	9,687,500	10,781,250	11,875,000	12,968,750	90,468,750
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	3,437,500	3,984,375	4,531,250	5,078,125	5,625,000	6,406,250	7,500,000	8,593,750	9,687,500	10,781,250	11,875,000	12,968,750	90,468,750
Cash Outflows													
Investing Activities													
Cost of Sales	1,103,906	1,280,469	1,457,031	1,633,594	1,810,156	2,057,031	2,410,156	2,763,281	3,116,406	3,469,531	3,822,656	4,175,781	29,100,000
Operating Activities													
Salaries and Wages	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	1,718,658	20,623,896
Fixed Business Expenses	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	2,094,747	25,136,965
Taxes	-	-	-	-	-	-	-	-	447,286	-	-	2,499,720	2,947,006
Total Cash Outflows	4,917,311	5,093,874	5,270,436	5,446,999	5,623,561	5,870,436	6,223,561	6,576,686	7,377,097	7,282,936	7,636,061	10,488,907	77,807,867
Cash Flow	(1,479,811)	(1,109,499)	(739,186)	(368,874)	1,439	535,814	1,276,439	2,017,064	2,310,403	3,488,314	4,238,939	2,479,843	12,660,883
Operating Cash Balance	11,275,344	10,165,845	9,426,659	9,057,785	9,059,224	9,595,038	10,871,476	12,888,540	15,198,943	18,697,256	22,936,195	25,416,038	
Ending Cash Balance	11,275,344	10,165,845	9,426,659	9,057,785	9,059,224	9,595,038	10,871,476	12,888,540	15,198,943	18,697,256	22,936,195	25,416,038	

Table 6.16 Year Three Balance Sheet of the "Z/" Brand

**"Z//" Brand
Balance Sheet - Year Three**

	<u>End of Year Two</u>	<u>End of Year Three</u>
Assets		
Current Assets		
Cash	12,755,155	25,416,038
Inventory	5,000,000	5,000,000
Prepaid Expenses	2,515,000	-
Total Current Assets	<u>20,270,155</u>	<u>30,416,038</u>
Fixed Assets		
Real Estate-Land	-	-
Buildings	-	-
Leasehold Improvements	950,000	950,000
Equipment	400,000	400,000
Furniture and Fixtures	1,800,000	1,800,000
Other Fixed Assets	1,600,000	1,600,000
Total Fixed Assets	<u>4,750,000</u>	<u>4,750,000</u>
Less: Accumulated Depreciation	1,745,714	2,618,571
Total Assets	<u><u>23,274,441</u></u>	<u><u>32,547,466</u></u>
Liabilities and Owner's Equity		
Liabilities		
Accounts Payable	-	-
Notes Payable	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Owner's Equity		
Common Stock	30,000,000	30,000,000
Retained Earnings	(6,725,559)	2,547,467
Total Owner's Equity	<u>23,274,441</u>	<u>32,547,467</u>
Total Liabilities and Owner's Equity	<u><u>23,274,441</u></u>	<u><u>32,547,466</u></u>

Statement Balances

Statement Balances

The total year-end summary of "Z//" Brand (from year one to year three) is shown in the following table. The net income for the first year is (Ks. 7,245,857) that shows no profits for the first year and the net income of the second year increases Ks. 520,298 that show 0.72 percent profit of the company. In the third year, the net income increases the profit till Ks. 9,273,025 (10.25%). Thus the following table can be used to conclude like the company can get more profits from year to year and getting more success in the future.

Table 6.17 Year End Summary

**"Z/" Brand
Year End Summary**

	<u>Year One</u>	%	<u>Year Two</u>	%	<u>Year Three</u>	%
Income						
Shirt	26,700,000		33,375,000		41,718,750	
T-Shirt	15,300,000		19,125,000		23,906,250	
Polo Shirt	15,900,000		19,875,000		24,843,750	
	-		-		-	
Total Income	<u>57,900,000</u>	100.00%	<u>72,375,000</u>	100.00%	<u>90,468,750</u>	100.00%
Cost of Sales						
Shirt	8,010,000		10,012,500		12,515,625	
T-Shirt	5,049,000		6,311,250		7,889,063	
Polo Shirt	5,565,000		6,956,250		8,695,313	
	-		-		-	
Total Cost of Sales	<u>18,624,000</u>	32.17%	<u>23,280,000</u>	32.17%	<u>29,100,000</u>	32.17%
Gross Margin	<u>39,276,000</u>	67.83%	<u>49,095,000</u>	67.83%	<u>61,368,750</u>	67.83%
Total Salary and Wages	19,440,000	33.58%	20,023,200	27.67%	20,623,896	22.80%
Fixed Business Expenses						
Advertising	9,354,000		9,634,620		9,923,659	
Bank & Merchant Fees	60,000		61,800		63,654	
Miscellaneous	180,000		185,400		190,962	
Insurance (Liability and Property)	360,000		370,800		381,924	
Licenses/Fees/Permits	396,000		407,880		420,116	
Legal and Professional Fees	204,000		210,120		216,424	
Office Expenses & Supplies	360,000		370,800		381,924	
Rent (Store and Office)	9,600,000		9,888,000		10,184,640	
Sales & Marketing	600,000		618,000		636,540	
Taxes-Other	360,000		370,800		381,924	
Telephone and Communications	1,200,000		1,236,000		1,273,080	
Travel	300,000		309,000		318,270	
Utilities	720,000		741,600		763,848	
Total Fixed Business Expenses	<u>23,694,000</u>	40.92%	<u>24,404,820</u>	33.72%	<u>25,136,965</u>	27.79%
Operating Income (before Other Expenses) [EBITDA]	(3,858,000)	-6.66%	4,666,980	6.45%	15,607,889	17.25%
Other Expenses						
Amortized Start-up Expenses	2,515,000		2,515,000		2,515,000	
Depreciation	872,857		872,857		872,857	
Taxes	-		758,825		2,947,006	
Total Other Expenses	<u>3,387,857</u>	5.85%	<u>4,146,682</u>	5.73%	<u>6,334,864</u>	7.00%
Net Income	<u>(7,245,857)</u>	-12.51%	<u>520,298</u>	0.72%	<u>9,273,026</u>	10.25%

“Z//” Company’s Breakeven Analysis

The “Z//” Company’s Breakeven Analysis can be seen in the following table. According to the Breakeven table result, the company will get breakeven sales when the products sell in Ks. 64,874,148.

Table 6.18 Breakeven Analysis of the “Z//” Brand

**"Z//” Brand
Breakeven Analysis**

Breakeven Analysis	Dollars	Percent
Annual Sales Revenue	\$ 57,900,000	100.00%
Cost of Sales	<u>18,624,000</u>	<u>32.17%</u>
Gross Margin	39,276,000	67.83%
Salaries and Wages	19,440,000	
Fixed Operating Expenses	<u>24,566,857</u>	
Total Fixed Business Expenses	44,006,857	
Breakeven Sales Calculation	<u>44,006,857</u>	
	67.83%	
Breakeven Sales in Dollars	<u><u>\$ 64,874,148</u></u>	



CHAPTER 7

REFLECTIVE STATEMENT

The “Z//” brand is planned to launch in Yangon, Myanmar. The permanent store will be opened in the “Hledan Center” shopping mall and the online store will be worked at the office. Although “Z//” brand is a new clothing brand, it will be provided by good quality products and trendy product designs. The customers will be served with the best services of the sales girls. Store sales girls will provide some suggestions to the customers in order to get the right products based on their needs and online shop will also be provided fast delivery service, return policy, product customization colors and sizes. The business plan of the “Z//” company is designed to create a good Business Strategic plan, Management plan, Marketing plan, Operational Plan, and Financial plan to suitable fit with the current market situation. The fashion mainstream is moving the fast industry from day to day. One of the most important things of the “Z//” brand is to fulfill the customers’ needs on the Apparel products. Therefore, the “Z//” brand will produce new product designs monthly and designs are adapted to the fashion mainstreams and the Myanmar culture. Then, new products designs will be developed based on the customers’ feedback on the existing product designs and market trends. This business plan can be used as a guideline and plan to implement the “Z//” brand as a successful brand. However, marketing and operational plans are needed to adapt based on the changes of the market when the “Z//” brand is entered into the market.

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