

BUSINESS PLAN



The «Jack-a-Dandy» Online Menswear Store



2015

Adaptation of this business plan is possible for similar project around the world.

Business Plan Description

Idea of the project

The project is focused on opening of online store of trendy clothes, shoes and accessories and panache articles as well for young and energetic men, the main suppliers of which will be the Turkish producers; it will provide the quality of fabrics and sewing and also allow attracting and keeping the customers by competitive prices.

Specificity of the project

Registration of the online store requires the purchase of domain.

Possible addresses of the project website: jackadandy.ru, jackadandy.su, jackadandy.com.ru, jackadandy.net.ru jackadandy.org.ru, jackadandy.ru.net.

Features of online stores comprise:

- round-the-clock working without days off and breaks;
- no binding to the certain premises;
- relatively low staff costs;
- possibility of goods demonstration on a single «showcase»;
- possibility of demonstration of expected items;
- possibility to focus on a specific audience;
- accessibility from any geographical point.

Geography of the project

Moscow and Moscow Region.

Audience of the project

The Russians living on the territory of Moscow and Moscow Region, predominantly men aged 21-40 years (the core target audience).

Competitive environment

The «Moscow Dandy» online store: <http://moscowdandy.ru>;

The «HENDERSON» online store: <http://catalog.henderson.ru>;

The «KANZLER» online store: <http://www.kanzler-style.ru>;

The «FANCY CREW» online store: <http://www.fancycrew.ru>;

The «Meyer-Wegener» online store: <http://meyer-wegener.com>.

Financial indicators of the project

Indicator	Units	Value
Necessary investment	RUB	***
NPV	RUB	***
IRR	%	***
Payback period	years	1.94
Discounted payback period	years	2.09

Excerpts from Research

In the modern world men pay no less attention to their appearance than women. Many of them are not just interested in fashion; they understand it and follow the latest trends. Including it all, it is more difficult for them to select that store, which will meet all criteria simultaneously – their general lifestyle, features of the figure, income level, requirements to fabrics, etc. The reason of it is rather prosaic – producers of menswear are quantitatively inferior to manufacturers of women's clothing and in sales outlets men's lines mostly are additional, whereupon their assortment is limited.

Exactly due to the mentioned conditions, an online store focused exclusively on articles of menswear will attract attention of the target audience. Its specificity must create an atmosphere of a kind of gentlemen's club, where a man – potential buyer – will not be distracted by offers to purchase women's or children's things; a discreet website design would contribute to focus on that things, for which he has addressed here.

Growing middle class in Russia requires the decent assortment and service, but, as before, there are so little brands, which meet its needs. All goods will be imported from Turkey, where the cost price of sewing products is lower than west analogues' cost price due to the cheap labour and domestic production of fabrics; that's why such online store will take its niche in the unsaturated middle price segment.

Potential suppliers of online store may be such Turkish enterprises as «***», «***», «***», «***», which traditionally export their production to the CIS countries. The contact information of manufacturers can be found in the text of business plan.

Market of menswear makes a third of total volume of clothing market in Russia and accounts to *** bln RUB. So, according to the marketing researches, every man spends on clothing about *** RUB per year in Russia.

Despite the emergence of new competitive stores, the turnovers of trade enterprises are increasing in men's fashion market. According to the various estimations, annual sales volume of menswear increased by **–**% during recent years, while the total growth of clothing market in Russia amounts to 5–7%, in Europe – 2–3%.

According to the experts, a boom in the market of men's fashion would be expected in the future due to the e-commerce. Special popularity will pertain to such categories of goods as trousers, jumpers and other articles of men's clothing, which do not require the careful fitting.

Also the positive tendency is the fact that uncivilized retail is rapidly losing ground exactly to e-commerce and chain retail. Modern consumer becomes more picky, selective and fastidious. 71% of the total number of online buyers consider that the online purchase of clothing and footwear is convenient because of time saving, no markups and also due to the opportunity to try things on during delivery and return them if they do not fit the consumer.

It is important to say that owners of online stores should pay a special attention to the assortment right now and develop a few directions simultaneously for success in the future. It is perspective to enter the market with interesting collections, not fall behind the fashion trends, because male population is interested exactly in fashion things, but not in remnants of unsold goods in of past seasons.

According to the analysis of competitors, online stores exclusively of menswear are not common. But in order to stand out among competitors, which include the menswear as well as women's and children's clothing lines, it is necessary to invest in the project promotion during the whole period of its implementation, and especially – in advertising in the Internet environment. The recommend ways to promote the business of this kind are the following: search engine optimization of the website, contextual and banner advertising on the pages of search engines, creating of communities and advertising in social networks.

One of the factors, which affect the decisions of the online store visitor about the purchasing the goods, is the accessibility of payment methods, which is the most convenient for him. That's why, both cash settlement in the moment of delivering the goods by courier and cashless payments using credit cards and electronic payment systems are provided by the project. For this purpose, the project will cooperate with the «Robocassa» service, which allows accepting the payment from a final buyer by about 40 ways.

Table of Content

List of Tables, Diagrams and Figures	4
Executive Summary	6
1. Project Description	8
1.1. Topicality of Chosen Segment	8
1.2. Idea and Essence of the Project	8
1.3. Audience of the Project	12
1.4. Assortment of Production	12
2. Market Analysis	14
2.1. Tendencies of the Russian Market of Clothing Retail	14
2.2. Market of Menswear in Russia	16
2.3. E-Commerce Market in Russia	18
2.4. Fashion Segment of the Russian E-Commerce Market	19
2.5. Portrait of Online Clothing Buyer	22
2.6. Number of the Project Audience	23
2.7. Selection of Information Source when Deciding whether to Purchase	24
3. Competitors and Partners of the Project	27
3.1. Leaders Group in Fashion Segment of the Russian E-Commerce	27
3.2. Popular Online Menswear Stores in Moscow and Moscow Region	29
3.3. Suppliers of Production	36
3.4. Payment Systems	39
3.5. Strategic Canvas of the «Jack-a-Dandy» Project	41
4. Marketing Plan	45
4.1. Usability of the Website	45
4.2. Search Engine Optimization	45
4.3. Contextual Advertising	48
4.4. Social Media Marketing	49
5. Organizational Plan	50
5.1. Specificity of Online store	50
5.2. Logistics	52
5.3. Project Personnel	54
5.4. Plan of the Project Implementation	54
6. Financial Plan	56
6.1. Assumption of the Project	56
6.2. Seasonality of the Project	56
6.3. Sales Volume	57
6.4. Revenue	59
6.5. Personnel of the Project	60
6.6. Costs	66
6.7. Taxes	70
6.8. Profit and Loss Statement	72
6.9. Calculation of Discount Rate by WACC Method	75

6.10. Cash Flow Statement	86
6.11. Cash Flows	87
7. Sensitivity Analysis	91
Appendix 1. Efficiency Rating of Online Clothing and Shoe Stores	97
Appendix 2. List of Key Requests by the Project Topic (Statistics in Moscow and Moscow Region)	99
INFORMATION ABOUT THE «VTSConsulting» COMPANY	123

List of Tables, Diagrams and Figures

Tables

Table 1. The TOP Most Popular Hosting Providers in Runet	10
Table 2. Advantages of the Online Store	11
Table 3. Classifications of Menswear	12
Table 4. Classifications of Men's Clothing and Shoes	13
Table 5. Payment Methods for Online Orders	23
Table 6. Potential Number of the Project Audience	24
Table 7. The Largest Players in Fashion Segment of Online Retail Market	27
Table 8. Popular Online Menswear Stores in Moscow and Moscow Region	30
Table 9. Turkish Producers of Menswear	37
Table 10. The «Robocassa» Service	40
Table 11. The «Destroy-Decrease-Increase-Create» Grid for the «Jack-a-Dandy» Online Store	43
Table 12. Automation Possibility of Operation Algorithm	51
Table 13. Tariffing of Logistics Service	52
Table 14. Companies Providing the Logistic Services for E-Commerce	52
Table 15. Project Personnel	54
Table 16. Plan of the Project Implementation	55
Table 17. Calculation of Long-Term Profits over CAPM for Portfolios of Decimal Groups NYSE/AMEX/NASDAQ	80
Table 18. Algorithm of Risk Determination for Estimated Company	81
Table 19. Algorithm of Specific Risk Premium Calculation	82
Table 20. Calculation of Discount Rate by WACC Method	84
Table 21. Main Financial Indicators of the Project	90
Table 22. Efficiency Rating of Online Clothing and Shoe Stores	97

Charts

Chart 1. Dynamics of Spending on Clothes in Russia in 2003-2013, %	14
Chart 2. Dynamics of Clothing Sales in 2008-2013 in Russian Federation	15
Chart 3. Strategic Canvas of the «Jack-a-Dandy» Canvas	44

Diagrams

Diagram 1. Segmentation in Clothing Retail Segment	16
Diagram 2. Share of E-Commerce in Retail Turnover in Russian Federation, %	18
Diagram 3. Number of Online Stores Working in B2C Segment of E-Commerce in Russia, thsd units	19
Diagram 4. Structure of Fashion Retail	20
Diagram 5. Sales Volume by Segments of Fashion Retail	21
Diagram 6. Distribution of Online Clothing and Shoe Buyers by Sex and Age	22

Figures

Figure 1. Example of Order Processing Module	53
Figure 2. Distribution of Websites Efficiency Estimates. Selection of Goods: Emotional or Rational	98
Figure 3. Distribution of Websites Efficiency Estimates. Decision-making and Ordering	98

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✓ *during one to two hours our team will be ready to answer all questions related to the structure and content of the business plan*

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«VTSConsulting» team*

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

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- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

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You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*