



BUSINESS PLAN

BY CHARLOTTE FISHER, LOIS PONSFORD AND SAMANTHA HANCOCK

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Business Owners

Owner 1: Charlotte Fisher

Owner 2: Lois Ponsford

Owner 3: Samantha Hancock

Business name: Cult Clothing

Business location: Online app, but office will be Sheffield based.

Business contact email: cultyclothing@gmail.com

Business WebSite or Social Media Account:

- Twitter: [@CultClothing2](https://twitter.com/CultClothing2) (<https://twitter.com/CultClothing2>)
 - Facebook: [@Cultyclothing](https://www.facebook.com/Cultyclothing/) (<https://www.facebook.com/Cultyclothing/>)
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Section One

Executive summary

1.1 Business Summary

Cult Clothing is an app available on iPhone and android that gives the current and most recent fashion trends from a multitude of retailers. You can search for trends, or screenshot and upload an item of clothing you want to closely match - similar to the popular search tool used by Asos, You are then given examples from various shops and retailers that you can then click on to be redirected to their website. The retailers it will show are popular high-street and online shops that focus on fast fashion. The results given can be refined by size, colour, style and price, as well as selecting to see only certain retailers. It would be available for both males and females however the target audience would be predominantly female between the ages of 16 to 28 that are fashion driven. Our funding would primarily come from the retailers in partnership with, as well as other advertisements featured on the side of the homescreen. We would hope to partner with retailers such as Topshop, Missguided and Pretty Little Thing, and offer first time discounts and other discounts throughout the year to get customers continually using.

1.2 Business Aims

One thing that we all have in common with each other is fashion. How we choose to style ourselves, is a form of self expression and what makes us an individual. We see other people walking down the street, wearing clothes that we like or come across a photograph on social media of an outfit we really like but don't know where to find it. That's why we have created the 'Cult Clothing' app with an aim to provide a useful fashion finding service which

makes locating particular items of clothing quick and easy. With just a few simple taps, a variety of clothing options from an assortment of retailers will appear instantly, giving you a diversity of options.

1.3 Financial summary – (BMC – Cost Structure and Revenue Streams) detail where your start-up money will come from, how your business will make money and the business structure you are adopting (sole trader / partnership / limited company) and any related equity splits (how the business is shared between the owners before any equity sales):

Our start up money would come from an accelerator scheme, we would get £20,000 initial funding in exchange for 5% equity from Seedcamp. They offer legal support, accounting services and partnerships. This would help us to get in contact with the retailers we want to partner with.

Our revenue would come from the partnership with retailers. As our app diverts customers to the retailer they select, we would take between 3-5% of each sale made. We have got this figure from looking at the average affiliate link cost.

As our app develops we would also get money from paid promotional advertisements on our app, from other businesses we are not partnered with. This would gain us around 35p per click.

We would take on the business structure of a partnership, the three of us working equally. Before the 5% equity taken by Seedcamp, we would take 33.3% of the company and equity each.

Elevator Pitch

1.4 Business name: Cult Clothing

1.5 Business idea:

An app to find and compare the latest clothing trends from a multitude of high street and online fashion retailers.

1.6 Strapline: You see it, you like it, we got it.

Section Two

2.1 Owner's background

OWNER 1: Charlotte Fisher

- **Why do you want to run your own business?:**
 - I am a driven and hardworking individual, who enjoys a challenge. I believe that there is a gap in the market for the 'Cult Clothing' fashion finder app and I am excited to work with my team to produce a useful and relevant business idea that could potentially do well within this particular market.
 - **Previous work experience:**
 - Marketing Intern at The Poetry Business, Sheffield.
 - Camp Counsellor and Marketing committee member at ClearWater Camp for Girls, Wisconsin, US.
 - **Qualifications and education:**
 - MA International Journalism
 - BA Hons English
 - A Levels: English Language, History, Physical Education
 - **Training:**
 - Photoshop, Hootsuite, Adobe Premiere Editing software. Had a marketing internship with a local publishing company.
 - **Details of future training courses you want to complete:**
 - Possibly explore the intricacies of business finance and what is involved in taking on employees.
 - **Hobbies and interests:**
 - Filming + Video editing, Theatre, Field Hockey.
-

OWNER 2: Lois Ponsford

- **Why do you want to run your own business?**

Having had the problems our app solves, I'm passionate about helping others to get the look they want without the effort.

- **Previous work experience:**

I have worked as a marketing assistant and worked in several retailers.

- **Qualifications and education:**

A - levels and GCSE's A-C and BA Hons degree in Media studies

- **Training:**

Have work experience in marketing, volunteer work in media production.

- **Details of future training courses you want to complete:**

Social media for small businesses.

- **Hobbies and interests:**

Playing ice hockey, walking my dog and watching films.

- **Any relevant additional information:**

OWNER 3: Samantha Hancock

- **Why do you want to run your own business?**
 - I know that I am determined enough and organised enough to make this app, that I can make this app I believe in to be something amazing. As I have the vision for this

 - **Previous work experience:**
 - Marketing and PR internship at Meze Publishing
 - Shift Leader at TGI Fridays

 - **Qualifications and education:**
 - MA International Journalism
 - BA Hons Modern History
 - A Levels: Media, English Literature, History.

 - **Training:**
 - Photoshop and InDesign.
 - Interned for a PR and publishing company, working with marketing and PR.

 - **Details of future training courses you want to complete:**
 - Running a business training.

 - **Hobbies and interests:**
 - Photography and writing.
-

Section Three

Products and services

3.1 What are you going to sell?

- a product
- a service
- both

3.2 Describe the basic product/service you are going to sell:

An app to find and compare the latest clothing trends from a multitude of high street and online fashion retailers. The user can search for an item of clothing by either a description or uploading a photo and the closest matched items will appear. They can then look through these items, comparing price etc. and then click on the item to be redirected to the retailers website/app.

3.3 Describe the different types of product/service you are going to be selling – does your basic idea have a number of different applications, are their different versions or variations of your product service?:

Initially the app will just be the one service of assisting with finding fashion items. However, if successful and by reinvesting profits into the business for improvements and upgrades, we may look to expand into producing some of our own clothing in the future.

3.4 If you are not going to sell ALL your products/services at the start of your business, explain why not and when you will start selling or adding further products or services – how will you extend and grow your business?:

As the app develops there will be more options to search and discounts will be available. It is important to establish an audience and receive feedback on how we can improve and develop the app further. With time the business should hopefully grow and the quality of service the app provides, will improve based off feedback provided.

Section Four

The Market

The following information focuses on our intended customers:

4.1 Are your customers:

individuals

businesses

both

4.2 Describe your typical customer:

16-29 year olds who are predominantly female and see themselves as fashion savvy.

4.3 Where are your customers based?

Across the UK.

4.4 What prompts your customers to buy your product/service?

It is free to use and is simple and straightforward.

4.5 What factors help your customers choose which business to buy from?

Mostly the price but also the quality of the product.

4.6 Have you sold products/services to customers already?

yes

no

4.7 Have you got customers waiting to buy your product/service?

yes

no

Section Five

Market research

5.1 Key findings from research:

There isn't an app quite like it at the moment. There is one called 21 buttons, which people post themselves wearing clothes and then add a link, there is Snapshot but this is American based and the average price range is a lot higher. Asos offer a feature similar to what we want, which allows you to shop by uploading a photo of an item.

More women than men shop online, and most people shop via their phone or tablet compared to a laptop.

5.2 Key findings from field research (interviews / surveys / customer questionnaires):

From a survey we put together we found that people tend to shop more using their phone or tablet, and would find our app helpful when shopping.

5.3 Key findings from field research

Our field research surrounding app creation has provided us with provisional cost details and an understanding of financial requirements. However, as our product is an app, we are unable to test our product on an audience but we have created a logo and marketing materials based off public survey feedback.

Section Six

Marketing strategy

6.1 - Outline your marketing approach – what channels will you use to reach your customers? what will you key marketing vehicle be?:

Most of our marketing will be social media based, as it attracts and will be seen by the right target audience more this way. This will include a twitter, facebook and instagram account, as well as a business page. From this we will have online posters and posts. We will also use bloggers and influencers to help sell and promote our app to the public.

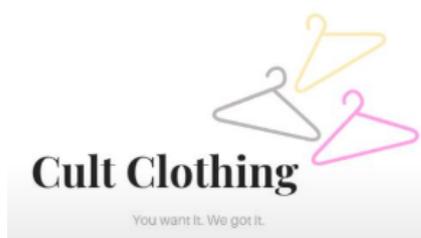
6.2 - Describe your brand – what defines your product, how is this best conveyed through marketing?:

The word 'Cult' relates to a group of people who share in a particular belief. Cult Clothing aims to target those people who believe that fashion is a form of self expression and that we as a type of informal, accepting and inclusive 'cult', are creating a group of like minded individuals how might be interested in using our app to find the latest trends.

6.3 –Include examples of any logos, marketing materials you have available:

We took to social media to see which logo was preferred and most effective, and found that out of two possible designs, **option 2** was the most popular. We will keep to the same colour scheme of grey, pink and yellow throughout our marketing.

Option 1



Option 2



6.4 – Marketing Strategy:

<u>What are you going to do?</u>	<u>Why have you chosen this marketing method?</u>	<u>How much will it cost?</u>
We will use our social media platforms (Facebook, Twitter and Instagram) to self promote by posting consistently to build a rapport and personal connection with our customers.	This is cost free and can be very effective as it creates a more personal approach towards connecting with customers.	0
Facebook adverts	<p>As it is target market, research has found that females aged 18-29 respond well to advertisement on social media compared to posters and TV adverts.</p> <p>A facebook page would also allow for communication with the public, where we can share offers, promotion and news.</p> <p>This would cost £96 to firstly see what advertising works best for our app and then would vary on traffic to to the app.</p>	£96
Twitter promoted tweets	We would pay to have our tweets and online adverts promoted on twitter. This interacts with our target market. We can spend as little or as much on this as we want.	£700
Promotion via vloggers, bloggers and influencers.	All of our marketing we want to be mobile based as this will interact with our target market best. 500 million people use instagram everyday.	£500
<u>TOTAL COST per year.</u>	This is based on figures from Twitter and Facebook. Our total is based on £20,000 funding, wanting to spend less than 10% of this yearly on marketing. (£2,000)	£1296

Section Seven

Competitor analysis

7.1 Table of competitors:

Product/ service	Price	Strengths	Weaknesses
Asos	free	Easy to use and brings up a lot of results	Can only shop for Asos own clothing.
21 Buttons	free	Good way to see current clothing trends can link straight to retailer	Have to follow certain people to see what they are wearing and no consistency with outfits/shops.
Screen shop	free	Easy to upload photos too and brings up a variety of retailers	All US based can't refine the results Not cheap clothing options - mostly designer.

7.2 SWOT analysis :

Strengths	Weaknesses
<ul style="list-style-type: none"> - Nothing quite like it on the market. - It gives the public something that they have been wanting and is an easy alternative to online shopping. 	<ul style="list-style-type: none"> - Profit will be small to begin with as the app relies on retailers and customers.
Opportunities	Threats
<ul style="list-style-type: none"> - Work with a variety of retailers. - Can make a large profit if it takes off. 	<ul style="list-style-type: none"> - Retailers may not want to work with us due to us having a percentage of profits.

7.3 Unique Selling Point (USP):

Unique Selling Point (USP)

There is nothing currently on the market which compares or competes with 'Cult Clothing'. Our unique selling point is that we act as a middle man between the customer and the retailer and help the customer find not only the items of clothing that they're looking for, but also some great deals.

Section Eight

Operations and logistics

8.1 Production:

We will utilise the £20,000 Seedcamp Accelerator scheme investment to fund the technology production costs for the app development.

8.2 Delivery to customers:

The product is a free app which will be available on the Apple Store and Google Play.

8.3 Payment methods and terms:

As our app acts as a middleman to connect the customer to the retailer, payments would not be completed through the app.

8.4 Suppliers:

<u>Name and location of supplier</u>	<u>Items required and prices</u>	<u>Payment arrangements</u>	<u>Reasons for choosing supplier</u>
All partnered online retailers e.g. Boohoo, Missguided, PLT, Riverisland	Their trending items on their website each week - at 0 cost.	0 cost	We are just the middleman, and therefore have no need for a supplier.
57Digital	App development Cost around £10,000	Pay 50% up front, and 50% once app is completed	Based in Sheffield, so easy to keep up with the progress of the app. Has the same vision in mind as us.

8.6 Equipment

		If being bought		
<u>Item required</u>	<u>Already owned?</u>	<u>New or second hand?</u>	<u>Purchased from</u>	<u>Price</u>
Mobile App	No	New	57 Digital	£10,000

8.8 Legal requirements:

This would be given via the accelerator scheme. Would be terms and conditions of the app, and partnership agreements with the retailers.

8.9 Insurance requirements:

Staff insurance and business insurance. Give via the accelerator scheme.

8.10 Management and staff:

To begin with we would just have us three working for the company. As the app progresses we would look at hiring more people to help work on app tech and marketing.

Section Nine

Costs and pricing strategy

	<u>Product/service name:</u>	Cult Clothing
A	<u>Number of units in calculation:</u>	1
B	<u>Product/service components:</u>	App Cost: £10,000
C	<u>Total product/service cost:</u>	£10,000
D	<u>Cost per unit:</u>	£3
E	<u>Price per unit</u>	
F	<u>Profit margin (£)</u>	
G	<u>Profit margin (%)</u>	
H	<u>Mark up (%)</u>	

As we are charging a percentage of total sales rather than an set fee, it is difficult to complete this table at this time.

Section Ten

Financial Forecasts

10.1 Sales and costs forecast

Month	1	2	3	4	5	6	7	8	9	10	11	12	
Month Name	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Product/service - Income from app	Sales Forecast					£50,000	£50,000	£55,000	£40,000	£60,000	£60,000	£60,000	
	Cost Forecast												
Product/Service - Marketing	£166	£166	£166	£166	£166	£166	£166	£166	£166	£200	£200	£200	£200
Product/Service - App Design	£5,000					£5,000							
Assumption/ seasonal Trends	Holiday Shoppers	Holiday Shoppers	Holiday Shoppers	Holiday Shoppers			Christmas Shop	Christmas Shop	Less shoppers after Christmas			Start of holiday shoppers	

10.2 Cashflow forecast

A	Month	Pre-start	1	2	3	4	5	6	7	8	9	10	11	12	Total
	Month name	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
B	Money in (£)														
	Funding from Seedcamp	£20,000	£20,000	£20,000	£20,000	£20,000									£20,000
	Own Funds	£3,000													£3,000
	Incomes from Sales						£50,000	£50,000	£55,000	£40,000	£60,000	£60,000	£60,000	£60,000	£435,000
C	Total Money in (£)	£23,000	£0	£0	£0	£0	£50,000	£50,000	£55,000	£40,000	£60,000	£60,000	£60,000	£60,000	£458,000
D	Money out (£)														
	App Development	£5,000				£5,000									£10,000
	Personal drawings						£1,000	£1,000	£1,000						£3,000
	Seedcamp equity						£2,500	£2,500	£2,750	£2,000	£3,000	£3,000	£3,000	£3,000	£21,750
	Marketing	£166	£166	£166	£166	£166	£166	£166	£200	£200	£200	£200	£200	£200	£2,362
E	Total Money out (£)	£5,166	£2,000	£2,000	£2,000	£5,166	£3,666	£3,666	£3,950	£2,200	£3,200	£3,200	£3,200	£3,200	£37,112
F	Balance (£)	£17,834	14,000	10,000	8,000	1,000	£46,334	£46,334	£51,050	£37,800	£56,800	£56,800	£56,800	£56,800	£420,888

10.3 Costs table

<u>Cost item</u>	<u>What is included and how you worked it out</u>	<u>Total cost</u>
App Design	Our research found app design company 'Experts' who provided us with a cost estimation.	£10,000
Marketing	Our annual cost of marketing through social media platforms and influencers. We worked this out from contacting marketing companies and analysing their cost estimations.	£2,362
Office Rental	We would initially use Sheffield Hallam University's graduate business office facilities which would be cost free.	£0
		Total: £2,362
