

**DRESS**

**2**



**IMPRESS**

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# **Executive Summary**

## **Business Concept**

Many men between the ages of 18 and 35 encounter the same wardrobe issues on a regular basis: either they do not know how to dress properly or they do not know what to wear for certain occasions. Often times, men are overdressed, underdressed, or out of touch with current styles. Dress 2 Impress (D2I) solves these common challenges by providing men with full outfits at affordable prices. A man's choice of clothing is personal, which is why we strive to work with our customers to help them find the perfect outfits.

## **Marketing and Operations**

Our market is focused among men who have limited time to shop. Our store is meant to cater to men's specific needs when it comes to fashion. D2I provides convenience for our customers. For operations, we will hire assistants who specialize in fashion. Additionally, we will hire fashion designers to create outfits. We will advertise our brand to make the store popular. Once opened, we will help our customers shop for the best outfits possible.

## **Finance**

In our first year, we project to be in the negative. However, in the second year, we anticipate to make a profit of \$126,519. We will continue to grow gradually. By the fifth year, we expect to make a profit of \$293,506. We plan to keep the price of an outfit to a minimum in order to keep and attract customers, ensuring business expansion.

## **Future**

We plan to expand and become a chain. Once we have become successful with one store, we will be looking to expand into different locations. Additionally, we plan to create a web presence. We want to provide our customers with the best service possible by giving them the option of going to our stores or purchasing their outfits online. Our main priority is to make sure our customers are satisfied with their outfits to minimize returns. We want to expand our stores in order to become more accessible to the customers and to create more jobs.

# **Business Description**

## **Concept**

Our business consists of selling full outfits for convenience and quality. Above all, we will build confidence in our customers by giving men the personal shopping experience. By giving men the opportunity to interact with their very own personal shopper, D2I will ensure that the customer fulfills his desires and feels good about his newly bought outfit at the end of the experience. We plan to target men 18 years and older. We also want to target men who might not feel comfortable shopping for clothing. A unique benefit the customer will have is that we will have the outfit readily available. By doing so, the customer will avoid the hassle of looking for certain clothes and the hassle of not finding the outfit that suits him best.

Revenue will be made from the sales of our outfits. We anticipate to sell outfits for a reasonable price with two things in mind. First, we aim to provide the customer with a low price point to ensure they will return to shop with us in the future. Secondly, we want to maximize profit. At D2I, the customer always comes first. Every man who walks out with our clothes will feel confident and happy.

## **Purpose**

The purpose of our business is to provide the ultimate shopping experience for men by providing them the opportunity to purchase complete outfits at an affordable price. We want men to easily obtain their outfits without the chaos of going to different stores. Dress to Impress (D2I) is the one stop shop for men who have trouble creating outfits on their own and who lack time to shop. At D2I, each customer may use a personal shopper to satisfy his needs. We want the customer to feel confident walking out of the store and ready to show off his newly refined outfit.

## **Mission**

Our mission is to provide men with a shopping experience tailored to their specific needs.

# **Industry/Market Analysis**

## **Industry Structure**

The men's clothing industry is made up of stores that sell many different styles such as casual wear, formal wear, essentials, active wear, and even accessories. D2I will have all styles and accessories to satisfy the interest of any man. There are men and women that say a variety of men do not know how to dress properly. D2I will help prevent any man from dressing improperly by not only providing the best outfits for the customer but also providing an assistant that will help the customer select the best outfit for him. Men that do not know how to dress are negatively affected in their social and relationship status, but they must not take fault because very often it is caused by time availability or lack of understanding of how to dress.

## **Industry Trends**

The retail clothing industry was negatively affected in the economic crisis of 2008. Since 2011, it has recovered and grown. In 2012, the revenue for men's clothing industry was \$57.8 billion dollars and increased 5% in 2013 to reach revenue of \$60.8 billion dollars. It is predicted to continue to grow as long as the economy continues to recover because spending and demand will strengthen. In 2011, consumer patronage of specialty stores went from 17% to 20% because of the personalized shopping environment and more specialized customer service. \$15.8 billion dollars of the revenue of 2013 came from only specialty stores, which demonstrated a 2% increase from the year before.

## **Target Market**

Our store targets men from the ages of 18 to 35, specifically men who do not have enough time to shop and men who simply are incapable of dressing properly. Today, men cannot go into a store and pick out an outfit that is already matches, not because they are incapable of doing so but because that store is yet to exist. There are a few online sites that help select outfits that match. However, an online site does not provide a customer the opportunity to try the outfit to see if he truly likes it. No other store has a variety of outfits that already match with the help of a personal assistant to advise what is best for him. Our unique benefits will attract our target market and generate popularity.

# Competition

Our competitors such as Nordstrom, H&M, and GAP all sell clothing for men that is either similar or higher in quality and price to the clothing we will be selling. Nordstrom is the most expensive while H&M and GAP sell clothing similar to the quality and cost of our store. The reason why our clothing store will be superior is because we will have a variety of styles that will be neatly organized into different outfits, and we have a personal shopping experience that H&M and GAP lack. Additionally, we only cater to men where Nordstrom, H&M, and GAP cater to both men and women.

Another competitor is Combatant Gentlemen, which is an online store that sells clothes the same way. They assist the customer to purchase an outfit that matches. The reason why we are better than Combatant Gentlemen is because D2I is an actual store with assistants that will help choose the best outfit for the customer making the overall shopping experience more personal.

## Competitive Analysis Chart

Store	Cost	Quality	Personalized	Full Outfits	Men Specific*
Nordstrom	High	High	Yes	Somewhat	No
H&M	Med	Med	No	No	No
<b>D2I</b>	<b>Med</b>	<b>Med</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
GAP	Med	Med	No	No	No
Combatant Gentlemen	Med	Med	No	Yes	Yes

\*Men Specific is a store designed for the man's experience.

# **Marketing Plan**

## **Purpose of Marketing**

We strive to provide men the opportunity to purchase outfits, in an efficient, convenient, and personal manner. We are efficient because we sell clothing in complete outfits. We are convenient because men will not have to spend a lot of time shopping. We are personal because each shopper may use an assistant. The benefits are that men will acquire full outfits that are in style for an affordable price. Therefore, we must market and advertise our store effectively to maximize the number of customers and profit.

## **Target Market**

We are targeting males from ages of 18 to 35 who do not know how to dress and want a casual fitted outfit. We are the only the retail store that will provide full outfits for cheap prices including a personal assistant who will decide the style of your choice compared to Nordstrom who offers similar services but is expensive.

## **Entering Market Strategy**

We will enter the market by using social media such as Facebook, Instagram, LinkedIn, and Twitter to reach out to our customers. We would also rent billboards in areas with a high population of lower and middle class people.

## **Retain Brand Loyalty**

The people who follow us on our social media accounts will know when we have promotions for our outfits. By doing this, we will be able to attract customers and keep them loyal. The customers will be attracted to our clothing line because our outfits will not be ordinary shirts or jeans they will be fitted to the customer's style and current trends.

## **Cost of Marketing**

\$70,000 in the first and subsequent years will go towards marketing. This will pay for billboards, advertising, and website. Because we do not see ourselves expanding in five years, we do not see the need to increase our marketing costs.

# **Operations Plan**

## **Daily Routine**

We will operate between the hours of 10 am to 10 pm. The manager and employees are expected to arrive at the store by 9:30 am to make sure the store is ready for operation. Upon opening, employees greet customers and provide assistance. If a customer would like the help of a personal shopper, he will be directed to the best personal shopper for him. The personal shopper will assist the customer in finding the best outfit. The personal shopper's main goal is to find the outfit that meets the personal demands. The customer will be invited to browse the store and try on the clothes he likes. After the customer tries on the selected clothing, he then buys the outfit. There may be returns throughout the day; however, we do not anticipate many because of our customer service. The store will close at 10 pm. The employees must stay 30 minutes after closing to replenish and clean the store. The store needs to be operational for the next day.

## **Personal Shopper Experience**

The Personal Shopper Experience provides customers quality and personal service. Stores like Nordstrom provide their customers with a personal shopper; however, the cost of their merchandise is high. We strive to make shopping a positive, convenient, and reasonable experience. We want our customers to leave our store satisfied with each outfit chosen. A person's outfit should reflect his personality. We want to work with our customers to ensure this happens.

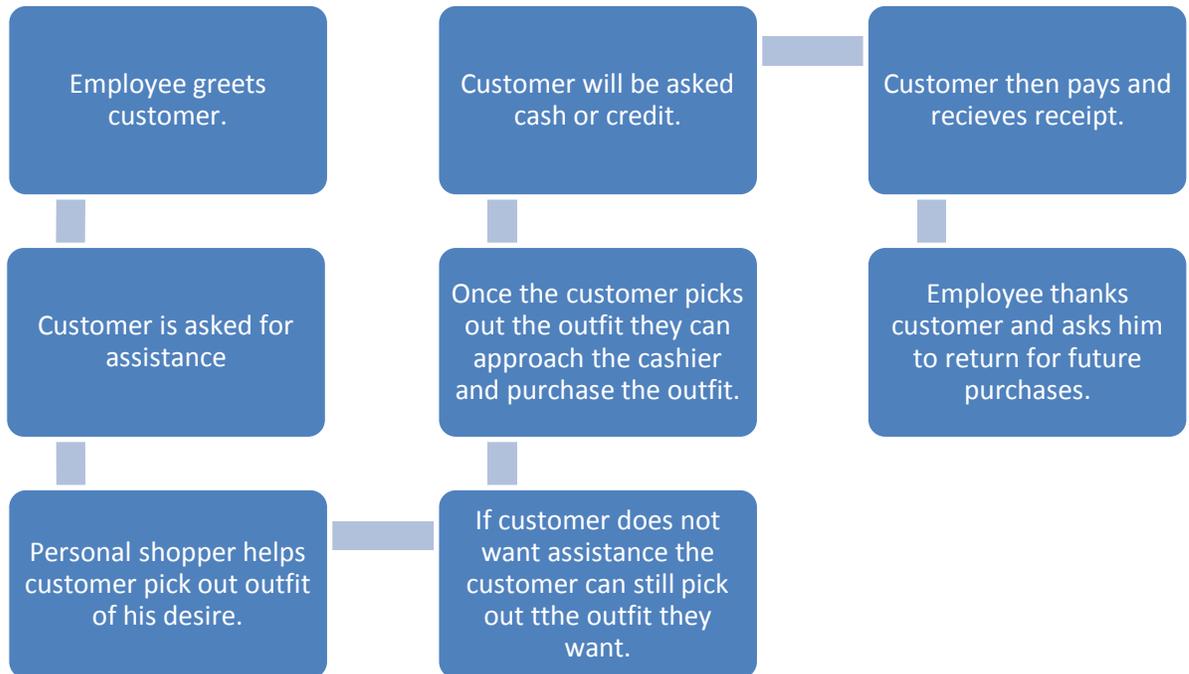
## **Ordering/Purchasing**

Orders and purchasing will be made based on popular demand of our merchandise. Seasonal attire will also be taken into consideration. Our supplier list will compare to H&M, which means that our merchandise will come from similar vendors whose clothing comes from Bulgaria, Czech Republic, Egypt, Germany, etc.

## **Legal Requirements**

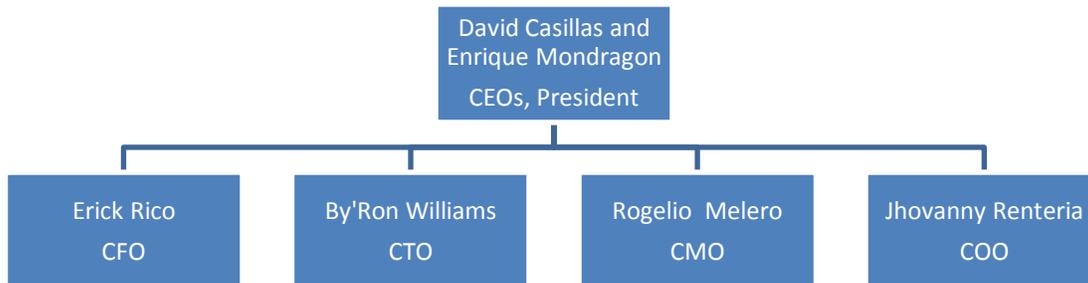
The legal requirements are to get licenses and permits for the store. Our store will need to abide by workplace and environmental regulations.

## Typical Day



# Management Team

## Dress 2 Impress Organization Chart



## David Casillas & Enrique Mondragon - Chief Executive Officers

We have two very promising people who have an excellent show of leadership. Everyone will have to report in work with the CEO, meaning they will have to have good communication skills. Being the CEO means that those who hold the title must cater to every need made by customers, the company, and investors. The CEO has to make sure everyone is satisfied while maintaining the company and what it stands for. The CEO has to overcome the complicated decisions, which at times may not be favored, but necessary. The CEO has to keep in mind the best interest of the company and make sure the store's goals are met.

## Erik Rico - Chief Financial Officer

Our CFO is a very valuable member of the team. He will be the one managing the budget and his voice will have a big impact on how funding is used. Our CFO is willing to communicate with the other chief officers. He will have to directly report to the CEOs and work with the COO. Along with the COO, the CFO will be discussing financial aspects of the company. The CFO is also responsible for making projections on yearly profit. The main priority of the CFO is to keep the company safe financially. The CFO has to make sure money is coming in and being spent properly.

## **Rogelio Melero - Chief Marketing Officer**

Our CMO is in charge of promoting, marketing, and advertising. The CMO must be both analytical and creative, and possess extensive knowledge in a variety of disciplines such as production, information technology, legal and finance. CMO often plan, direct and coordinate marketing budgets in accordance to organizational goals. He was chosen for this position because of his outstanding communication and personal skills.

## **Jhovanny Renteria - Chief Operation Officer**

Our COO is responsible for driving organizational goals. The Chief Operating Officer directs and oversees all aspects of an organization's business operations. COO plans and directs all aspects of an organization's operational policies, objectives, and initiatives. He was chosen for this position because he oversees ongoing business operations within the company. Additionally, he will oversee the daily operation of the store.

## **By'Ron Williams - Chief Technology Officer**

Our CTO will keep all technical aspects of the company running swiftly and smoothly. He will keep the company up to date in technology and make sure that the best service is readily available. The CTO will not have much of a big role when the company starts up, but once the company expands our market, we see an increase in work for the CTO. At some point we plan to expand to online shopping, well this part of the expansion will require a lot of work from the CTO. He will have to handle security and efficiency for customers to have an excellent experience. The main goal of the CTO is to help reach the company goals through technology.

## **Future Plans for the Company**

Dress 2 Impress plans to increase the amount of retail shops when we determine we are financially stable enough to up our services. Once we see an increase in profit and demand for our supply, we then plan to expand to online shopping. At some point we may also expand our variety in clothing, we will take into consideration the various styles for men. We plan also to make partnerships with designers so we can have more renowned product in our stores so customers will feel more comfortable to purchase things from people they know.

## Financial Plan

In year one, sales are projected to be 50% of GAP Inc.'s (GAP, Old Navy, Banana Republic, etc.) sales per sq. ft. for a 5,000 sq. ft. store and will increase to 85% by year five. Cost of goods sold is 40% of sales, which is in line with the industry average. The initial cost to outfit the store will estimate about \$100,000 plus \$100,000 for rent. Salaries include a sales manager at \$20 per hour and four sales associates at \$12 per hour. Marketing is set at \$70,000, which includes the cost of website, billboards, and advertisements. Utilities are 10,000 respectively and administration cost is \$15,000 a year that includes accounting, office supplies, and licensing. In year one, we are projected to be in the negative at \$2,092. However, by year five, we will have a net income of \$293,506.

### Projections

	1	2	3	4	5
Sales*	\$ 912,500	\$ 1,095,000	\$ 1,405,250	\$ 1,460,000	\$ 1,551,250
Cost of Goods Sold*	\$ (365,000)	\$ (438,000)	\$ (562,100)	\$ (584,000)	\$ (620,500)
<b>Gross Profit</b>	<b>\$ 547,500</b>	<b>\$ 657,000</b>	<b>\$ 843,150</b>	<b>\$ 876,000</b>	<b>\$ 930,750</b>
Salaries*	(254,592)	(254,592)	(254,592)	(254,592)	(254,592)
Marketing*	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)
Administration	(115,000)	(15,000)	(15,000)	(15,000)	(15,000)
Utilities	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Rent	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<b>Operating Profit</b>	<b>\$ (2,092)</b>	<b>\$ 207,408</b>	<b>\$ 393,558</b>	<b>\$ 426,408</b>	<b>\$ 481,158</b>
Taxes	\$ -	\$ (80,889)	\$ (153,488)	\$ (166,299)	\$ (187,652)
<b>Net Income</b>	<b>\$ (2,092)</b>	<b>\$ 126,519</b>	<b>\$ 240,070</b>	<b>\$ 260,109</b>	<b>\$ 293,506</b>

### Start-up Cost

Salaries	\$254,592
Marketing	\$70,000
Administration *Initial Outfitting + Other Admin Costs (accounting, licensing, etc.)	\$115,000
Utilities	\$10,000
Rent	\$100,000
<b>Total</b>	<b>\$549,592</b>

## **Break-even Point**

The break-even point for our business will take place in year two. The first year, we will be in the negative. However, in year two our operating expenses will total \$449,592 and our gross profit will be \$657,000, which will give us a net income of \$126,519.