



We Bring Your Fashion Dreams To Life

Business Plan

Do I need a business plan?

If you're a designer seeking funds to help start your venture, you may want to consider writing a business plan. In fact, it is recommended that anybody beginning or extending a venture that will consume significant resources of money, energy or time, and that is expected to return a profit, should take the time to draft some kind of plan. If you intend to use your plan to help you raise money, you'll have to focus very carefully on the executive summary, the management, and marketing and financial aspects. You'll need to have a clearly focused vision of how your company is going to make money. Business plans are not solely a tool for seeking funding. Consider your business plan to be your road map to your business's future. It can be a useful tool at all stages of your companies' existence.

Why is a business plan helpful?

- Writing out your business plan forces you to review everything at once: your value proposition, marketing assumptions, operations plan, financial plan and staffing plan.
- You can use it to monitor progress as you begin your line.
- You can hold yourself accountable and help control the fate of your business.
- it's a sales and recruiting tool for courting future investors.
- As part of your business plan, you'll lay out major milestones. When you're the founder, the only person holding you accountable to those results on a daily basis is you. Your business plan becomes your baseline for monitoring your progress.

Basic tips and tricks for writing an effective business plan:

- Keep the wording and formatting straightforward, and keep the plan short. An effective business plan should be no longer than 40 pages.
- Make your important numbers easy to find and easy to understand. Use summary tables and simple business charts to highlight the main numbers. Don't have any numbers in there that you can't explain instantaneously.

Where do I begin?

We've given you an extensive and formal business plan template. But before you delve into that, let's have a little fun. Imagine the date is 5 years from now. Where do you want to be? Explore every avenue that you'd like your business to go down. Try writing a personal essay on your business goals. It could take the form of a letter to yourself, written from five years in the future, describing all you have accomplished and how it came about. Refer back to the Simple and Efficient Business plan you created in Class 1. Where do you want to see your line going?

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Feeling overwhelmed?



Beginning with the following questions can help narrow your focus and get clear on where you stand on your business.

Personal:

1. How determined are you to see this succeed?
2. What's going to happen if this venture doesn't work out?
3. What is your goal for annual revenues in a year? Five years?
4. What is your end goal for sales? Maybe you want to stay a stable small business with a focus on boutique or direct to customer sales. Or maybe your goal is to sell in department stores or through major online retailers.
5. How comfortable are you taking direction from others? Could you work with partners or investors who demand input into the company's management?

Financial:

1. What initial investment will the business require?
2. How much control are you willing to relinquish to investors?
3. When will the business turn a profit?
4. When can investors, including you, expect a return on their money?
5. What are the projected profits of the business over time?
6. Will you be able to devote yourself full time to the business, financially?
7. What kind of salary or profit distribution can you expect to take home?
8. What are the chances the business will fail? What will happen if it does?

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