

PROJECT PAPER

Business and Financial planning & analysis on Bridging Bangladesh garments manufacturing industry to Central Europe for Wholesaler Business (Hungary, Austria, Poland)

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Introduction

Textile and Clothing sector in Bangladesh is showing tremendous growth since year 2000. The sector is continuing to grow with the advantages given by EU to Bangladesh and the help of competitive prices which Bangladesh manufacturers can achieve. However this is in parallel with worker rights breaches and dangers to the environment. The sponsor of this capstone project is an export agent company, who brings together suppliers from Bangladesh and buyers from Europe. They are willing to see the possibilities to do business with different sales modes, and their feasibility. Their ultimate goal is to create added value to Bangladesh business with a human and worker rights friendly business channel and help to increase quality and conditions in Bangladesh textile and clothing sector.

Aim

The aim of the capstone project is to collect information on wholesaler mode of business for textile and clothing develop a business plan and a financial plan for the related activities for Elegance International Kft and prepare a presentation together with financial calculations for the company to illustrate to possible investors or use in their future decision making. The wholesaler mode is researched with below value chain

1. **Buying and Selling Goods.**
2. **Marketing.**
3. **Manufacturing quality and timeliness control.**
4. **Networking**

Target Business Area

Target Business Area is Textile and Clothing Sector. The company is already focused on garments. Therefore, target customer will mainly be small to medium clothing retailers, distributors or designer firms.

Target Business Geography:

The targeted manufacturer country is Bangladesh, and targeted market countries are Poland, Hungary and Germany as set by the project sponsor.

Deliverables

The deliverables of this study include an executive business plan, a financial plan with possible worth of the company or project in future, and an internal presentation.

Method of approach and data collection

The data in the business plan and in the financial sheets are collected in the following ways;

1. Internet research is used for the net salaries of the potential workers, company needs and expenses considering the realities in the countries of their origin, checking from sites that does the statistics in this area. Experience and judgment used for possible expenses.
2. Rough multipliers used for the net salaries to complete them to company expense (gross + social contribution expenses)
3. Transportation price is calculated by the help of freightos.com, which is an internet platform that helps for finding the offers from different firms on the desired delivery.
4. Warehouse price is calculated by the coefficients received from experienced textile businessmen in forums, and an alternative cross check is done by area calculation using warehouse renting site prices.
5. The products selected are the most common apparel for having an average price, transportation and warehousing costs, with volume and weight assumptions using common sense.
6. The financial plan is done for the company to start from scratch, but it can easily be adopted to an ongoing financial analysis.
7. Experienced people in textile and clothing business are interviewed and their views on costing, critical success points, warnings are considered while bringing together the executive plan.
8. Internet resources are used for terms and definitions, general data and regular flow of processes in the related business area.
9. Successful examples, annual reports of the peer companies are analyzed and noted in the executive summary, also considered in financial plans.
10. Some options are presented for marketing purpose of the company, with its possible cost.
11. To experience the marketing structure in mind, companies are contacted and their views on working with a new partner is collected.
12. Two alternative financial plans are created, with the possibility to switch from one to other. One of them is for a wholesaler with export agent in house and the other is for a wholesaler where export agent activities are outsourced.
13. Methodology in the book "Business Model Generation" is used to define frames in the business.

The Outcome

The outcome of the project is a business plan with appendixes and dynamic calculation worksheet in excel with macros and formulation that would help the sponsor for the evaluation of financials.

In the business plan the current business environment, business model and products of company are explained. The activities that the company will need to carry out in such a business mode is explained. The profile of the resources to be hired for carrying out the activities are explained.

In the financial plan two business model results are calculated. All financial indicators are calculated and compared with business statistics from Damodaran web site. As a result of the calculations, the capital injection need, the sales assumption that can be achieved with the planned resources, and the profitability indicators such as IRR, NPV and cash multiple are presented to the sponsor.

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