Szabo.

BUSINESS PLAN
Every single day, the fashion industry produces new clothing in order to keep up with the ongoing demand. We are all used to be able to buy what we want, whenever we want. The downside to the story remains that the world is suffering from our desire to keep up with the latest fashion trends. But not only the world, also we as humans, are totally losing our personality in this world of excessive buying behavior. When we buy ready-to-wear clothing, about a million other women might have that exact same piece in their closet. Isn’t that scary? Therefore my question to you is: “Are we still true to our unique selves?”

Having asked and answered that question myself, I came to the conclusion that uniqueness in terms of clothing can only be achieved by giving women the opportunity to design their own clothing. Therefore, the act of making something to fulfill a particular set of requirements brings us back to the art of tailoring which was one of the most commonly used techniques to produce clothing a few decades ago.

What is more, the main reason for people to make and wear clothes at that time was to express their beliefs and personality. In fact, clothes were even used as a tool to rebel against the current political environment. Especially for women, clothes have played such an important role within the process of becoming the women that we are today. Therefore, redefinition of tailoring is highly requested in order to bring back the strength, expressiveness and most important, the uniqueness that clothing used to have.

Introduction

“In a world obsessed with consuming, Szabo will encourage its customers to think about clothing in a different way. Supporting sustainable fashion is not only about a choice of clothing but a way of living and focusing on what’s important – collecting moments, not things. Together, we can produce garments just made for you, designed to flatter your figure and accentuate your best features using less resources.” - Justine van Bauwel
Content.

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Szabo is a fashion concept focusing on the redefinition of made to measure tailoring by giving women the opportunity to create their own pieces of clothing using a made to order technique. Made to order, which means that clothes are specially made according to a customer's specifications in terms of design and fabrics, will therefore form the core of the concept.

Traditionally, made to measure tailoring is mostly associated with the art of designing clothing according to a person's measurements. However, recent studies have shown that women are generally more interested in the styling aspect of the made to measure technique. Therefore, redefinition of the current connotation surrounding made to measure is needed.

In order to do so, a new vision on tailoring, called made to order, was created which means that only design and fabric will serve as aspects of customization. Szabo will therefore work with a range of designs made according to standard sizes of which the consumer can select and afterwards design from. In addition, customers will be able to customize their chosen designs to their body measurements as well. However, this will not be the main topic of focus.

By means of organized 'in shop' events or so called 'trunk shows', consumers will be able to design their own suit selected from a wide range of designs and fabrics, provided by The Makers, a Dutch made to measure manufacturer. But not only the suit will be available for customization, also trousers, skirts, blazers and coats can be customized to a person's wishes.

By redefining tailoring to the values and needs of the modern women, the made to order business can be placed back on the map and serve as an innovative and durable way of buying clothing.

CONCEPT.
In collaboration with existing ready to wear women stores, based in Antwerp, a Szabo Club will be organised. Szabo club, which will form the core of the start up, will focus on the organisation of trunk shows which will take place in existing stores located in Antwerp. In collaboration with the Makers, a manufacturer of made to measure women suits, a series of fitting models will be chosen together with a selection of high qualitative fabrics of which the participants can choose from.

During the organised trunk shows, an intimate club of 10 women will be able to design their own pieces of clothing varying from suits to trousers, skirts, blazers and coats. As a tool of guidance and inspiration, Szabo created an option manual to guide the women through their design process. In addition to the fashion part of the night, high quality food and drinks will be offered to the guests as well. In this way, women are able to experience the concept of made to order through a fun and relaxed experience. High quality food, drinks and fashion will therefore form the environment of each club night.

**Mission**
Bringing a more personal and sustainable way of producing and designing clothing in a world of disruptive consumption.

**Vision**
Redefining made to measure tailoring for women in a convenient and innovative way by women for women.

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"Introducing women to the concept of made to order through a night filled with luxurious entertainments."
In a world obsessed with consuming, Szabo will encourage its customers to think about clothing in a different way. Supporting sustainable fashion is not only about a choice of clothing but a way of living and focusing on what’s important – collecting moments, not things. Together, we can produce garments just made for you, designed to flatter your figure and accentuate your best features using less resources.
Since the world is tremendously changing due to environmental issues, sustainability is becoming more and more important. Especially when it comes down to the fashion industry which is one of the most polluting industries of all times. Therefore, Szabo will integrate a sustainability plan in order to ensure great durability of its products. Research has shown that people are looking for more valuable, personal and durable products when it comes down to their buying behavior in terms of clothing. Although, many brands are already anticipating on this issue, the genuineness of fast fashion and high end luxury brands regarding sustainability is rather doubtable. Actual information about their production process is rare to be found which results in increasing suspicious buying behavior among the consumers. Therefore, sustainability should be analysed from another point of view.

Instead of creating innovative ways to ensure sustainability during or after the production process, Szabo is convinced that durability should be ensured before the actual garment is made. By reframing the production process to this point of view, made to order, which means, specially made according to a customer's specifications, was chosen as the core of the concept. MTO implies the fact that clothing will only be produced after an order has been placed specifically according to a person's wants and needs. In this way, only what is needed will be created and no waste will be generated. Furthermore, garments created by Szabo will include a tailoring service, meaning that garments will be made according to a person's measurements and a life time service of adjusting and remaking will be offered. This includes adjustments to someone's figure and height throughout life, but also a repairing service when recovery is needed. In this way, Szabo will be able to extend the life cycle of each garment made.

In a world obsessed with consuming, Szabo will encourage its customers to think about clothing in a different way. Supporting sustainable fashion is not only about a choice of clothing but a way of living and focusing on what's important – collecting moments, not things. Together, we can produce garments just made for you, designed to flatter your figure and accentuate your best features using less resources.

No waste, only what’s important.
PARTNER-SHIPS.

In order to produce the made to order clothing, a partnership with a made to order company is needed. Since The Makers, which is a manufacturer for made to measure men suits, recently started with women as well, the company serves as the perfect partner for the Uniq concept.

Furthermore, an additional range of fabrics will be added to the basic collection of the manufacturer. Experience within the made to measure industry has shown that Loro Piana, Fox Brothers & Co, Carnet and Ariston, offer a great range of good quality and fashionable fabrics. Therefore, these fabric suppliers will serve as a great additional partner.

Finally, the organisation of trunk shows requires several partnerships with food, drink and other fashion companies. Depending on the location and the participating women, a wide range of food and drinks will be prepared. In addition to the made to measure products of Szabo, partnering up with other fashion companies such as shoes and accessories labels could be of great benefit to the trunk shows as well.
Marketing Strategy.

1. Target group
2. Marketing mix
3. Marketing Plan
Target group

The target group consists out of a group of ambitious independent women living in and around a city. They are highly educated, open-minded and living up to the latest fashion, food and design trends. They associate quality and luxury with considered design and see themselves as the consumer of the quality of life.

Durability is one of their priorities when it comes down to making choices. Therefore, they are always on the look for sustainable and high quality products. Personal, reliable and transparent communication are one of the most important factors for this target group. That is why they value the story behind the brand with enormous appreciation.

Furthermore, the target group has a warm personality and her characteristics can be described as powerful, independent and trend-conscious. Her attitude and characteristics are noticeable in her way of dressing and living environment. With her clothing style, she wants to pursue a qualitative, thoughtfull and luxurious outlook.
During the organised trunk shows, a range of products will be offered. Using a made to order technique, women will be able to design their own piece(s) of clothing. In order to present all the possibilities, an option manual was created digitally as well as manually. The manual includes all style options for jackets, trousers and coats. In addition, waistcoasts, skirts, dresses and shirts will be offered as well. By using this manual, women will be able to select their favorite designs and finally create their own garments. It will give a clear and structured overview of what is possible and what is not. Additionally to this manual, inspirational pictures will be included in order to guide the customers through their made to order process. Furthermore, food and drinks will be offerend during the events as well. This will be offered by external companies with whom Szabo will collaborate during the events. Also other fashion items such as jewellery or accessories are optional products that might be offered during the events. Finally, branding products will be produced in order to give an extra touch to the Szabo events and products. Therefore, personalised canvas bags, garment bags and clothing hangers will be made and used during the Szabo club events and given to clients when a product is purchased.
As Szabo will offer made to order clothing meaning that the entire garment will be made according to the client’s desires and needs, the price will be variably. The producing costs of the garment are set by The Makers, the made to measure producer. The price for making a two piece suit is €145 whereas the price for a jacket is €115 and trousers €62, all excl. btw. However, the total price depends on the type of fabric that is chosen by the client. The price of the fabric is set per meter by the supplier and depends on the quality of the fabric. The average price for a fabric provided by the manufacturer is €80 for 3.5 m fabric which serves for the production of a two piece suit. However, in case of special requests by the client, fabrics can also be ordered by an external supplier. Szabo will work with Italian and English suppliers such as Loro Piana and Fox Brothers & Co. However these fabrics are more expensive than the once provided by the manufacturer itself. This is mainly because of the higher quality of the product and the transportation costs which are needed in order to send the fabric to the atelier in Marrakko. In order to define the correct selling price, a margin of moreless 3. Therefore, the average price will be €145 (production costs) plus €80 of the fabric price and finally multiplied by a selling margin of 3 which results in a price of €675 excl. BTW.

Since Szabo will operate as a student start up of which the first 3 years will be about testing and experimenting, the brand will operate from a limited distribution. This means that Szabo will only be available through exclusive distribution meaning that the product can only be purchased during the organised trunk shows and through private orders via social media and word of mouth advertisement. In order to deliver the product to the consumer, only direct distribution channels will be chosen meaning that there will not be a second party involved in the selling process. Only during the organised trunk shows, the participating fashion store will form a second party to the distribution channel since products will be sold at their location.

Markekting mix - Price

Markekting mix - Place
Out of earlier conducted research, the conclusion was drawn that good communication and interesting branding is necessary in order to place the concept of made to order back on today’s market. Therefore, a good marketing strategy together with innovative branding is required. In order to bring the marketing and branding to a higher level, marketing experts as well as PR agencies will be hired. However, this will be the focus for the second year. During the first year and especially during the start up phase of the company, social media and branding will be done by using free social platform and own marketing and branding experience. Therefore, the marketing and branding costs during the first year will only cover the costs for basic branding items such as garment bags and logo material.

By the second year of the start up, the marketing strategy will contain social media management, influencer marketing, print and online advertising and product branding. With the rise of influencer marketing over the past few years, working with influencers was never doubtable. However, it is important to choose the right influencers with the corresponding target group. Although online marketing is of crucial importance within today’s retail environment, word of mouth advertisement remains an important tool of marketing, especially for a start up. Within a world of excessive buying behavior and a disrupted fashion industry, the transparency and honesty of brands is rather doubtable. Therefore, generating clients from personal network and word of mouth advertisement serves a great and efficient way to start up a business.

Promotion.
Marketing plan.

1. Online marketing
2. Website
3. Trunk show
Markektng plan - *Online marketing*

Earlier conducted research has shown that most of the women are not familiar with the concept of made to order. Therefore, good communication and exquisite branding is of crucial importance in order to target the right target group and make them understand what made to measure is about. Since generation X and generation Y will form the core of the target group, social media as a tool of communication and branding are highly necessary. But also print and paper as well as word of mouth advertising are of great importance. Since social media is one of today’s biggest platforms for communication, online sale and inspiration, setting up several social accounts in order to connect with the target group is necessary. Research has shown that both generation X and Y are mostly active on Instagram followed by Facebook and Youtube. However, Instagram is the most prominent one.

Weekly posts and updates on Instagram, Instagram stories and Facebook will be done in order to inspire and showcase finished products. Also, videos showing how the process of made to measure works in combination with styling videos will be uploaded on Youtube or Instagram TV later in start up process. As Instagram also requires influencer marketing, several prominent influencers will be chosen to collaborate with. To start, Loneke Nooteboom, who has a following of 120k people mostly including women with an age between 30 and 55 would serve as the perfect influencer to work with because of the interesting target group for Szabo.

Furthermore, Szabo club will be organised in collaboration with existing ready to wear stores in Antwerp. Also here, it is of crucial importance that the right stores with the right target group are chosen to collaborate with. To start with, Enes, which is one of the most prominent women ready to wear boutiques in Antwerp, will collaborate with Szabo to organise the first Szabo club event. Finally, Szabo will work with Google AdWords in order to stimulate online marketing. AdWords is an advertising service by Google for businesses wanting to display ads on Google and its advertising network. The AdWords program enables Szabo to set a budget for advertising and only pay when people click the ads. The ad service is largely focused on keywords.
In addition to the social media platforms, an actual website will be set up. The website will be used to inform customers about the brand, the production process, materials etc. Also, inspirational pictures together with a link to the social media platforms of Szabo will be added to the website. Since the focus will be on the organisation of trunk shows at the starting phase of the business, people will be able to join the event through the website. As data is becoming more and more important, subscription boxes will be added in order to inform clients with monthly updates about the brand and therefore generate data. Although e-commerce is becoming more and more important, Szabo will not sell through the website during the first 3 years. Private appointments can be made in order to get in touch for more information or order a made to measure garment. Within the future perspectives of the brand, the purpose is to develop the concept into a brand and sell products through the website as well. However, this will not be the main focus at the beginning of the start up.
Marketing plan - *Trunk show*

In addition to the online marketing and social media platforms, trunk shows will be organised in order to introduce the concept of made to order into the Belgian fashion industry. The first two shows will be done by invitation only. The first one will be organised for friends and family only whereas the second one will invite influencers and important people out of the fashion industry. In order to invite the correct influencers to the event, a PR agency will be hired. During the trunk show, a group of 10 influencers will be able to design a jacket or trousers. They will be asked to make an Instagram story during the event as well as a picture on Instagram in order to promote the Szabo club event. In addition to that, 3 influencers will be invited to design an entire suit and create nice content for Instagram. By the time people have become familiar with the Szabo club event, a trunk show will be organised which will be open for the public. People will be able to subscribe for the event through the Szabo website.
Operational

The made to measure business requires a specific type of operational structure. Made to measure, which means ‘made specifically according to a person’s desires and needs’, are garments made designed by the costumer itself. Therefore, the process of producing made to measure clothing develops in different phases. During the first stage of the process, the fabric and the design of the garment will be defined. By the use of fabric swatches, an option manual and samples, women will be able to chose their desired design. Together with the client, fabrics and designs are discussed in order to complete the order form. When the fabric and the design is chosen, the measurements of the client are taken. After that, a fitting suit will be used in order to define the comfort and look of the garment. When the process of design is finished, the payment can be done. The first phase together with client has therefore ended. After that it is extremely important to check the availability status of the fabrics. If the fabric is not in stock, another fabric needs to be chosen. The second phase of the process is about ordering the garment within the system of the manufacturer, namely the makers. The makers is a manufacturing company specialised in made to measure suits. They provide a website where orders can be placed. Their atelier is located in Marrokko where all the garments are produced. The production time usually takes about 4-6 weeks, depending on the availability and the type of fabric. After the garment has been produced, the garments are send back to the warehouse in Helmond which is located in the Netherlands. As soon as the garments arrive in Helmond, an external transportation company, which is provided by the makers itself, will be transport the orders to Szabo. Finally, a second appointment is made together with the costumer in order to finalize to garment to its perfection. In some cases, the garments will be send to the local tailor in order to make small adjustments.
Organisational Structure

As Szabo will start up as a student start up, the business will be runned by a sole proprietorship bvba meaning that only one person will run the business. Since I gained experience within the made to measure business of men over the past few years, I am able to pursue all activities by myself. However, second parties such as an accountant and eventually a marketing and social media manager will be hired as the business develops throughout the year. From a future perspective, the goal is to run the business by a sole proprietorship bvba during the first 3 years. After 3 years the business will be reviewed again in order to decide whether Szabo is going to recruit extra employees.
As I am a graduate student and planning on adding an additional course to my Int. Fashion & Management degree, I want to start up the business gradually. The first year of the start up will therefore purely focus on testing the product within my personal environment and network. This means that I will start my business by making several pieces of clothing for myself, friends and family through the organisation of trunk shows and private orders via social media using a made to order technique. Made to order serves as an interesting concept when it comes down to the financial part, especially as a start up. Made to order, as the word speaks for itself, means that clothing will only be produced when an actual order is placed. Therefore, no inventory is needed which also decreases the risk of being bankrupt at an early stage of the process.

In order to share these first creations with the world, social media and word of mouth advertisement will be used as marketing tools during the starting phase of the business. This content will also be used for the creation of the brandbook. This brandbook will be used as a tool to present the Szabo concept to possible clients. As Szabo will be start up next to my career as a student, the business will operate as a student start up during the first three years. Since 2017, students are able to start up a business with special regulations adjusted to students. This means that I will registrate Szabo as a student start up at the KBO (Kruispunt bank voor ondernemingen) which will cost about €88,50. Furthermore, a student start up offers many advantages in terms of taxes and social insurance. In fact, social contributions are not required with an income less than €6,648,12 a year. With an income between €6,648,12 and €13,296,25 only 20,5% of the exceeding amount is ceded to social contributions.

By the end of 2019, the goal is to have organised at least 3 trunk shows in prominent women stores in Belgium, have sold about 30 items in total and have established an instagram account with a following of 5K. After the first year, investment in marketing, PR and branding will be the main focus of the business. In order to do so, the income, gained during the first year, will be used to reinvest in the company. In this way, the amount of investment through own capital can be reduced. Finally, the eventual purpose of the concept is to extend the concept to a brand focussing on the creation of mini capsule collections in limited amounts. These collections will be offered in several women ready to wear concept stores in Belgium. However, the main focus for the first year will be about testing the product and the demand.
The first 3 years of the Szabo brand will focus on experimenting with the concept and the rebranding of the made to order business. Therefore, the first 3 years of the start up will only focus on branding and marketing by the organisation of trunk shows and online marketing. As earlier conducted research has shown that most of the women are not familiar with the concept of made to order, right communication and branding of the concept are the main points of focus. Therefore, the investment and financing budget will mainly serve as marketing and branding costs. Since Szabo is planning on starting up the business gradually as a student start up, only own capital will be invested in the company. Therefore, there will not be any financial costs such as loans, interests etc. As I saved some money throughout the years, I am able to put €7,000 in the company. Since my parents are willing the invest in the company, an other €10,000 will be invested. This means that the company will start up with a capital of €17,000. In order to store this money, a professional bank account will be set up. This will be done together with the BNP Paribas Fortis bank since they offer the best features and advantages. The monthly price for a professional bank account is €24,80/trimester. Meaning that this will cost €99,20 each year. These costs will be taken into consideration in the cash flow.

Finance - Investment and financing

The first 3 years of the Szabo brand will focus on experimenting with the concept and the rebranding of the made to order business. Therefore, the first 3 years of the start up will only focus on branding and marketing by the organisation of trunk shows and online marketing. As earlier conducted research has shown that most of the women are not familiar with the concept of made to order, right communication and branding of the concept are the main points of focus. Therefore, the investment and financing budget will mainly serve as marketing and branding costs. Since Szabo is planning on starting up the business gradually as a student start up, only own capital will be invested in the company. Therefore, there will not be any financial costs such as loans, interests etc. As I saved some money throughout the years, I am able to put €7,000 in the company. Since my parents are willing the invest in the company, an other €10,000 will be invested. This means that the company will start up with a capital of €17,000. In order to store this money, a professional bank account will be set up. This will be done together with the BNP Paribas Fortis bank since they offer the best features and advantages. The monthly price for a professional bank account is €24,80/trimester. Meaning that this will cost €99,20 each year. These costs will be taken into consideration in the cash flow.
CASH FLOW

YEAR 1  YEAR 2  YEAR 3

1. Investments
   Start-up costs  € 750  € 0  € 0
   Equipment  € 0  € 0  € 0
   Stocks  € 0  € 0  € 0
   Shopfitting and interior  € 1,800  € 1,800  € 1,800
   Furniture and software  € 500  € 300  € 300
   Rent guarantee  € 0  € 0  € 0
   Insurances  € 200  € 210  € 220

2. Costs regarding buildings
   Rent  € 0  € 0  € 0
   Insurance  € 0  € 0  € 0
   Maintenance and repair  € 0  € 0  € 0
   Electricity, gas, water, ...  € 0  € 0  € 0
   Other costs  € 0  € 0  € 0

3. Exploitation and production costs
   Acquisition of raw material  € 1,400  € 700  € 700
   Goods for resale  € 0  € 0  € 0
   Service, work and courses  € 100  € 100  € 100
   Specific licences  € 0  € 0  € 0
   Maintenance and repair  € 200  € 500  € 800
   Other costs  € 0  € 0  € 0

4. General administration costs
   Mail, fax, telephone, mobile  € 1,000  € 200  € 200
   Memberships  € 0  € 0  € 0
   Accountant  € 0  € 800  € 800
   Social registry  € 85.50  € 85.50  € 85.50
   Other costs  € 0  € 0  € 0

5. Sales and marketing costs
   Advertising (PAPER)  € 0  € 0  € 500
   Classified ads  € 0  € 0  € 0
   Showroom  € 1,500  € 3,000  € 3,000
   Business Gifts  € 0  € 300  € 300
   Advertising (ONLINE)  € 0  € 0  € 0
   PR  € 0  € 2,000  € 2,000
   Sponsorships  € 0  € 500  € 800
   Other costs  € 0  € 0  € 0

6. Financial costs
   Bank costs  € 0  € 0  € 0
   Interest  € 0  € 0  € 0
   Leasing  € 0  € 0  € 0
   Payment systems  € 2,064  € 948  € 948
   Capital repayment  € 0  € 0  € 0
   Other  € 0  € 0  € 0

7. Employee costs
   Purchase  € 0  € 0  € 0
   Own salary  € 6,000  € 6,000  € 6,000
   Salary personnel  € 0  € 0  € 0
   Insurance personnel  € 0  € 0  € 0
   Medical support  € 0  € 0  € 0
   Education and training  € 0  € 0  € 0
   Other  € 0  € 0  € 0

8. Transportation costs
   Fuel  € 500  € 500  € 500
   Taxes  € 2,554  € 2,554  € 2,554
   Insurances  € 150  € 150  € 150
   Maintenance and repair  € 300  € 300  € 300
   Technical check-ups  € 120.50  € 120.50  € 120.50
   Parking, Public transportation, taxi  € 200  € 200  € 200
   Carwash  € 150  € 150  € 150
   Other  € 0  € 0  € 0

TOTAL  € 22,364  € 25,689  € 25,689

Finance - Cash flow

Since the first year of the start up will focus on experimenting and testing, own capital and belongings will be used as much as possible in order to keep the cash flow as low as possible. Therefore, there will not be any costs in terms of housing, personnel or financial costs since the business will be runned from home by myself only. The majority of the costs will go to marketing and branding. As stated in the marketing plan, online marketing such as social media and a website will be used in order to create brand awareness. Together with online marketing, word of mouth advertisement and the organization of trunk shows will be done in order to spread the word about Szabo and make women more familiar with the concept of made to order clothing. As stated in the cash flow overview, most of the costs will go to marketing and branding. However, during the first year of the start up, marketing and branding will mainly be done by myself and google adverts. With an eye on the second and third year of the start up, the marketing budget will increase since more invest will be done. A PR agency will be hired in order to collaborate with the right influencers for Szabo and Szabo club. As a marketing strategist will be hired in order to get professional advice on developing the Szabo marketing strategy.

Furthermore, investment in samples is highly necessary. Research and experience within the made to measure business has shown that people find it difficult to design their own pieces of clothing without examples. Therefore, it is important to create a number of samples, showing a wide variety of options. What is more, in order to create decent content for the social media and other online channels, samples are of crucial importance as well. But also transportation costs will cover an important part of the cash flow. Since Szabo will organize in store trunk shows and sell through private orders via social media, transportation to clients and shops will be necessary. In order to do so, a car will be used. This car is already purchased by my parents. As they will help me with the start up of the brand, I will be able to use the car for free. However, fuel, maintenance and repair are costs that come along with the use of a car.

Finally, costs involving desk equipment such as paper, telephone, computer,... etc are needed in order to manage the business and print out the order forms and cards. Also a payment system is required in order to give clients the opportunity to pay by card and send a proper prove of payment. In order to do so, lightspeed was chosen as a payment system. As an invoice was requested, lightspeed has offered a start up package of €1125 including an ipad, a printer and a cash register system. On top of that, a monthly cost of €79 is required in order to keep using the lightspeed system which also includes an automatic accountant.
Finance - *Sales Forecast*

1. **SALES FORECAST/MONTH IN YEAR 1**

<table>
<thead>
<tr>
<th>Units</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
<th>Month 8</th>
<th>Month 9</th>
<th>Month 10</th>
<th>Month 11</th>
<th>Month 12</th>
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<tbody>
<tr>
<td>Revenu in € (Prices vary between €500 and €1500)</td>
<td>€800</td>
<td>€2.500</td>
<td>€500</td>
<td>€1.600</td>
<td>€3.300</td>
<td>€2.600</td>
<td>€1.000</td>
<td>€1.000</td>
<td>€3.100</td>
<td>€5.100</td>
<td>€4.800</td>
<td>€2.100</td>
</tr>
<tr>
<td>TOTAL REVENUE YEAR 1:</td>
<td>€28.500</td>
<td></td>
<td></td>
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</tbody>
</table>

2. **SALES FORECAST/YEAR**

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenu in € (Prices vary between €500 and €1500)</td>
<td>€30850 (+10%)</td>
</tr>
</tbody>
</table>

In order to give a detailed perspective of the estimated sales of the first year of the start up, a monthly visualization of the sales forecast was made. As I was experimenting with social media, interest among followers became very noticeable. Several questions and information about the product was asked and one order of €800 was placed. As the first year will mainly be about testing and experimental, the goal is not to sell a major amount of garments but more about creating brand awareness. Therefore, the numbers of sale are relatively low. However, during the 4th month of the start up, a trunk show will take place at a boutique in Antwerp. Therefore, I expect the sales to go up during the 5th and the 6th month. Also during month 8, a prominent influencer will post pictures on Instagram while wearing a Szabo suit. Therefore, I expect the sales to go up the first and the second month after the post. With an eye on the second and third year of the start up, I expect the sales to increase with 10% in the second year and 15% in the first year since intensive marketing will increase the sales as well as the organisation of more trunk shows.
Finance - *Break even analysis*

In order to define, the break even point defining what Szabo needs to sell, monthly or annually, to cover the costs of doing business is necessary. In order to do so, the following formula is used:

\[
\frac{\text{Fixed costs}}{\text{(sales price per unit - variable cost per unit)}} = \text{break even point}
\]

As stated within the cash flow the overall fixed costs will be €20000 whereas the average sales price per unit is €800 and the variable cost per unit is €225. This results in a break even point of 34 meaning that 35 units needs to be sold in order to break even with the conducted costs. According to the estimation of the sales forecast, the break even point will be reached during the first year already since the sales for the first year is expected to be 36 units.
## INCOME STATEMENT

**YEAR 1**

<table>
<thead>
<tr>
<th>Item</th>
<th>Team 1</th>
<th>Team 2</th>
<th>Team 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>€ 28,500</td>
<td>€ 30,850</td>
<td>€ 35,478</td>
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<tr>
<td><strong>Costs</strong></td>
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<td></td>
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<tr>
<td>1. Investments</td>
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<td>Rolling stock</td>
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<tr>
<td>Machines and devices</td>
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<td>€ 0</td>
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<td>Furnishing and equipment</td>
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<tr>
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<td>Electricity, gas, water,</td>
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<tr>
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<td>3. Exploration and production costs</td>
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<td>€ 100</td>
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<td>4. General administration costs</td>
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<td>5. Sales and marketing costs</td>
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<td>Annual Fairs</td>
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<td>Advertisement/publicity (PAPER)</td>
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<td>SABAM</td>
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<td>PR</td>
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<td>6. Employment costs</td>
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<td>Own salary</td>
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<td>Salary personnel</td>
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<td>€ 0</td>
</tr>
<tr>
<td>Insurances personnel</td>
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<td>€ 0</td>
</tr>
<tr>
<td>Medical support</td>
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</tr>
<tr>
<td>Education and traineeship</td>
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</tr>
<tr>
<td>Other</td>
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<td>€ 0</td>
<td>€ 0</td>
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<tr>
<td>7. Transportation costs</td>
<td></td>
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<tr>
<td>Fuel</td>
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<td>Taxis</td>
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<td>Insurance</td>
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<td>Maintenance and repair</td>
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<td>Technical check ups</td>
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<td>Parking, Public transportation, taxi</td>
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<tr>
<td>Carwash</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total costs</strong></td>
<td>€ 22,524</td>
<td>€ 25,689</td>
<td>€ 29,599</td>
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<tr>
<td><strong>Profit before taxes</strong></td>
<td>€ 5,976</td>
<td>€ 5,161</td>
<td>€ 5,879</td>
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<tr>
<td><strong>Taxes</strong></td>
<td>€ 1,210,22</td>
<td>€ 1,032,84</td>
<td>€ 1,199,22</td>
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<tr>
<td><strong>Profit after taxes</strong></td>
<td>€ 4,765,90</td>
<td>€ 4,128,30</td>
<td>€ 4,679,68</td>
</tr>
</tbody>
</table>

According to the conducted calculations out of the cashflow and sales forecast, a profit of €4756,90 will be generated during the first year. During the second year a profit of only €4108,16 is expected. The profit is relatively lower compared to year 1 since more costs will be generated in order to bring the marketing and branding to a higher level. During the third year of the start up, the profit will increase a little to €4679,68 which is higher than the second year but still lower than the first year since more costs will be generated compared to year 1. Eventually, the ultimate goal will be to develop Szabo into a brand that offers ready to wear clothing after 5 years. However, the aim will be to create collections with limited pieces which will be sold in department and concept stores around Belgium and the Netherlands and keep the made to measure part of the business existing. Therefore, the brand Szabo will transform into a combination of made to measure clothing and limited capsule collections.