The Closuals Business Plan

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The Business Venture:

Closuals will be a state-of-the-art clothing brand specifically targeting areas in the Middle East. The company will focus on producing different types of apparel after extensive research to find a proper blend of quality, creativity, and price. It will offer the customers premium quality apparel manufactured according to the highest standards in materials and craftsmanship. Being creative and innovative, the company will also look at the latest trends to provide its customers with the trendiest outfits on the market.

The word 'Closuals' is a combination of the words 'Clothing' and 'Casuals' to justify the company's prime offerings of high-quality casual outfits. Closuals will focus on casual outfits, initially offering a wide range of tops and bottoms for men and women, along with casual formal and bottom outfits. There are numerous formal outfit clothing brands in the Middle East, but the casual clothing companies are only a handful, so Closuals will be a unique initiative targeting the Casual Outfit market. It will focus on catering to the individual needs of customers. It will initially start with casual apparel in the Middle East while expanding its business to other states, along with other types of outfits and apparel, like formal clothing, footwear, and perfumes. The main priority of the company will be to introduce casual designs that emphasize style, class, high quality, and comfort. The strength of the company will lie in the competence of its workforce and its best customer service. The training of every employee will be based on the company's vision and mission statement. Its vision will be to open different branches and the same kind of stores in other Middle East nations.

Objectives:

1. To become one of the best casual clothing brands in the Middle East
2. To target the upper middle and elite class to become their first priority casual wear shopping destination.
3. Offer Top-end and Classy casual designs targeting teens and middle age groups.
4. With time, expanding the business through new outlets in all leading markets of the Middle East.
5. Expand the range of products by diversifying formal outfit designs and other accessories.

Opportunities:

The first outlet will be initiated in the Emirate of Dubai in the UAE. The UAE is the seventh-biggest economy in the world. The selection of location is based on the fact that Dubai alone has a vast apparel market, with an estimated size of around $4 Billion. According to the research, the market is facing a yearly growth of 5%, with an expected addition of 9,000 to 10,000 square meters of retail space by the end of this year.

The increasing market demand depicts a pressing need in Dubai to cater to the increasing number of people. Its garments and footwear market was valued at AED 11.5 billion in 2010 alone, so it is an excellent location for launching the first store. (Fibre2Fashion, 2018)

Management:

The company will be founded by five individuals who will serve as Managing Directors as well. These founders have experienced a lack of highly trendy clothing stores in Dubai. One of the founders has been running a departmental store in Egypt for the past ten years, while two of the partners are experienced designers who will take charge of the design and manufacturing departments. Each of the founders will initially invest $500,000, and the decision-making powers will be distributed equally among the five partners. All executive members will have their own departments, but the final decision-making power will rest with the managing director. Various responsibilities and duties will be divided among the owners, including:

1. Recruitment.
2. Appraisal.
3. Training and Development.
4. Strategic Management.
5. Financial Management.
6. Inventory Control.
7. Sales and Marketing.
8. Performance Measurement.

Production Methods:

Production is the process that guides firms and organizations to manufacture goods and services. In the context of CloSuals, the relevant dimensions are Job, Batch, and Mass Production.

A job-based production method is centered on one specific task or product being worked on at a time. Job production is mostly used for customized products with low volume, where the labor force is skilled, flexible, and can switch to different tasks and procedures. In this process, production is conducted on the basis of a specific client's demands, such as customized designer apparel in the case of Closuals.

Batch production is a major manufacturing method in the clothing industry and is perfect for organizations like Closuals. In batch production, identical or similar items are produced together in defined quantities before the production system shifts to another design or product. This process allows the same item to be produced in different sizes and colors with repeated stages.

Mass production is used when large volumes of standardized products are manufactured repeatedly, often through specialized machinery and highly organized production lines. This method can reduce unit cost but offers less flexibility than job or batch production.

Choice of production method for Closuals:

Closuals will have low, medium, and high production volume requirements for different products. The most appropriate production system is therefore a combination of job and batch production.

For its normal ready-to-wear clothing, the company will primarily use batch production because each clothing design is produced in multiple sizes and colors. Producing garments in batches allows fabric cutting, stitching, finishing, and packaging to be organized efficiently while still permitting several designs during a season.

Job production may be used when Closuals develops a one-off design, sample, prototype, or customized premium garment. Production costs are higher under this method, but it provides flexibility and personalisation.

Mass production would only become suitable if Closuals later develops high-demand standardized products that can be manufactured continuously in large quantities. At the initial stage, using mass production for the whole product line would require unnecessary capital investment and could increase unsold inventory risk.

Job-based production:

A job-based production method enables a company to have one product or job based on its entire focus and resources. The job-based production system is mostly followed by organizations with low volume and highly volatile preferences among their customers. The significant features associated with this method include the need for a skilled and flexible labor force which can switch to different processes. Furthermore, the job-based production process is not standardized and is based on the requirements of a specific client.

A job-based production method would allow Closuals to produce limited-edition or customized garments according to customer requirements. For such products, the company could adjust fabric, size, embroidery, finishing, or design details. However, the process would be too costly to use for every garment sold through the retail outlet.

Batch production:

Batch production is a perfect choice for apparel businesses because it combines repetition with flexibility. A design can be produced in a planned quantity, after which machinery, labor, or workstations are changed for the next design. The production sequence can include fabric inspection, pattern preparation, cutting, stitching, quality control, pressing, and packaging.

This approach provides greater flexibility than mass production because Closuals can adjust the quantity of each design according to sales. Slow-selling designs can be discontinued, while successful products can be produced in another batch.

Mass production:

Mass production is suitable for large quantities of similar or identical products. It usually involves high capital investment, specialized machinery, standardized materials, and repeated work processes. Unit costs can decline significantly when production volumes are high.

Closuals may eventually use mass production for basic products, such as highly standardized T-shirts or trousers that are sold in very large quantities. However, a fashion brand needs frequent variation in designs, fabrics, colors, and seasonal collections, which limits the suitability of mass production for the entire business.

Layout:

The layout of the store would be organized in a functional manner, which means products of a similar category would be placed near one another. Men's tops, men's bottoms, women's tops, women's bottoms, accessories, fitting rooms, cashier points, and promotional displays would each have a clearly defined area.

The storefront should immediately communicate the Closuals identity and display new products. Inside the store, high-demand merchandise should be easy to locate while new or premium products should receive strong visual exposure. Customers should be able to move naturally around the store without narrow or confusing passages.

The production layout would differ from the retail layout. Production areas would be organized around the flow of garments from cutting to stitching, finishing, inspection, and packaging. The company would minimize unnecessary movement of materials and workers to improve productivity.

Location:

Dubai is the most appropriate location for Closuals' first outlet because it has a large retail industry, substantial international tourism, high-income consumers, and a diverse population. The city also provides access to logistics, suppliers, advertising services, shopping centers, and regional customers.

According to Laveran (2017), the UAE has become a major regional consumer market and business destination because of economic development, tourism, infrastructure, and international trade. These factors support the selection of Dubai for a premium casual clothing business. (Laveran, 2017)

The final site should be selected using pedestrian traffic, target-customer demographics, rent, parking, visibility, competitor locations, public transport, and proximity to complementary retailers. A prestigious shopping mall may provide high traffic but also impose high rent and service charges.

Capacity:

Capacity planning is essential because Closuals needs sufficient inventory to meet customer demand without creating excessive unsold stock. Fashion inventory loses value quickly as seasons and customer preferences change.

Initially, Closuals should use conservative production volumes and review sales data frequently. The company can increase output for products that sell rapidly and reduce orders for slow-moving designs. This approach will preserve cash and reduce markdown losses.

Retail capacity also includes fitting rooms, checkout points, staffing levels, storage, and customer space. Peak periods such as weekends, holidays, and shopping festivals should be considered in staffing schedules.

Quality Management:

Quality is central to Closuals' premium positioning. Customers paying high prices will expect consistent fabric, stitching, color, fit, durability, and finishing. Quality should therefore be controlled throughout production rather than only inspected at the final stage.

Fabric should be checked before cutting. Patterns and measurements should be standardized. Stitching and seams should be inspected during production, and finished garments should be reviewed before shipment to the store. Defective items should be recorded by type so that recurring production problems can be identified.

Customer returns and complaints should also be analyzed as quality information. If one garment has an unusually high return rate because of fit, fading, shrinkage, or stitching, production should be reviewed immediately.

Stock Control:

Inventory management will be one of the most important operational areas for Closuals. The company will need to track products by design, size, color, season, supplier, purchase price, and selling price.

A computerized point-of-sale and inventory system should record each sale automatically and update stock levels. The system can generate reorder alerts and identify slow-moving inventory. RFID or barcode technology may be introduced depending on scale and cost.

The company should not reorder solely on the basis of historical demand because fashion trends can change quickly. Buyers and designers should combine sales information with current trends, promotional plans, supplier lead times, and seasonal conditions.

Supply Chain:

Closuals' supply chain will begin with raw materials and end with the retail customer. Suppliers may provide fabric, buttons, zippers, labels, packaging, and other components. Garments will then be manufactured, inspected, transported, stored, and displayed for sale.

The company should avoid depending on one supplier for critical materials. Multiple approved suppliers reduce the risk of disruption, although too many suppliers may make quality control difficult. Supplier evaluation should include price, quality, reliability, lead time, working conditions, and environmental practices.

International purchasing can create currency, shipping, customs, and geopolitical risks. Closuals should therefore maintain sufficient safety stock for important materials while avoiding excess stock that ties up capital.

Human Resource Management:

Closuals will need designers, merchandisers, retail sales employees, cashiers, inventory staff, production workers, supervisors, marketing employees, finance staff, and managers. Recruitment should focus on both technical ability and customer-service attitude.

Every employee should receive training in the brand's products, customer expectations, store procedures, workplace safety, ethics, and technology. Sales staff should learn how to advise customers without creating pressure or making misleading promises.

Performance evaluation should include customer feedback, sales contribution, teamwork, attendance, inventory accuracy, and professional conduct. Employees should not be rewarded only for sales because this can encourage aggressive selling or internal competition.

Marketing:

The Closuals brand will be positioned as a premium and fashionable casual clothing brand. Marketing should combine social media, digital advertising, influencer partnerships, public relations, in-store events, and customer loyalty programs.

Dubai's highly connected and tourist-oriented market provides strong opportunities for digital marketing. The company should maintain visually strong social profiles featuring new collections, styling ideas, and store information.

Influencer partnerships should be selected according to brand relevance rather than follower count alone. Paid partnerships must be disclosed clearly. Customer photographs should only be used with permission.

Pricing:

Closuals will follow a premium pricing strategy. Prices must be high enough to communicate quality and cover design, production, rent, marketing, staff, and logistics, but they should still be competitive with other premium casual brands.

The company should calculate the total landed cost of every product before setting prices. This includes raw materials, manufacturing, transport, customs, packaging, and allocated operating costs.

Frequent discounts may damage the premium brand. Promotions should be planned carefully, such as end-of-season sales or limited loyalty offers, rather than constant price reduction.

Financial Plan:

The five founders will initially invest a total of $2.5 million, based on $500,000 from each individual. The funding will be used for store lease and fit-out, initial inventory, design and production, salaries, technology, advertising, legal registration, and working capital.

A detailed financial forecast should include startup costs, monthly fixed costs, variable costs, gross margin, expected sales, cash flow, and break-even sales. The company should maintain sufficient cash to operate if early sales are lower than expected.

The founders should agree in writing on ownership percentages, voting rights, salaries, profit distribution, additional funding, exit procedures, and dispute resolution. Equal investment does not automatically prevent conflict.

Risk Management:

Closuals faces fashion risk because customer preferences can change before inventory is sold. It also faces supplier delays, quality problems, economic downturns, rent increases, employee turnover, cyber risk, and intense competition.

Inventory risk can be reduced by smaller initial batches and rapid replenishment. Supplier risk can be reduced through alternative sources. Financial risk can be reduced through conservative cash management and realistic forecasts.

The company should also purchase appropriate insurance and comply with employment, consumer, commercial, tax, intellectual-property, and health-and-safety laws in the UAE.

Future Expansion:

Closuals plans to expand from Dubai into other Middle Eastern markets after establishing a strong brand. Expansion should be based on evidence rather than the assumption that one successful Dubai store will perform equally well elsewhere.

Potential markets should be evaluated for customer income, retail culture, local fashion preferences, competition, regulation, import cost, rent, logistics, and online shopping behavior.

The company can also expand digitally. An e-commerce store would allow customers outside Dubai to purchase products without the cost of immediate physical expansion. Returns, international delivery, payment, and sizing systems would require careful planning.

Conclusion:

Closuals has an attractive opportunity to establish a premium casual clothing brand in Dubai and later expand into the wider Middle East. Dubai's apparel market, high level of retail development, tourism, and consumer purchasing power support the proposed venture. The company's planned combination of premium quality, fashionable design, and strong customer service can differentiate it from competitors.

The venture should initially use batch production for most ready-to-wear clothing while retaining job production for prototypes, customized products, and limited editions. Strong quality management, inventory control, supplier diversification, employee training, and computerized stock systems will be essential.

The founders' $2.5 million investment can provide a strong starting base, but the business requires detailed cash-flow planning, clear ownership agreements, and conservative inventory decisions. Closuals should establish the Dubai outlet successfully before expanding to other countries or product categories. With disciplined operations and a clear premium brand identity, the business has the potential to become a recognized casual clothing company in the Middle East.

References

Fibre2Fashion. (2018). *UAE apparel and footwear market valued at AED 11.5 billion*.

Laveran, M. (2017). *UAE retail and consumer market analysis*.