Name

Instructor Name

Subject

Date

Start of a New Business

**Introduction**

In the age of industrialization, the production of consumer goods has become the most profitable business. Luxuries of the past have become necessities of today. The demand for consumer goods is increasing constantly. The use of new technologies in the production process has increased production capacity. Innovations in goods and services take place every day. New means of advertising play their role in stabilizing the demand for consumer goods. The current economic environment can be considered as the most suitable environment for the establishment of a new business. A deeper market analysis is the most essential thing that one should do before they start any business (Honig and Karlsson). Selection of the product is also very critical for the success of a business. The competitiveness of the market is also an important thing that must be considered before taking any practical step. Business is a very risky game that must be played very carefully (Mason and Stark). A minor mistake in the judgment of market conditions or a single wrong decision can result in a huge financial loss.

In this business plan, we will present briefly the different aspects of a business. We will also discuss potential challenges that can occur at any stage of a business. We will also discuss a possible set of solutions in every condition.

**Product Selection and Business Environment**

The choice about the nature of business is the fundamental step that must be taken very carefully. The selection of the product must be according to the existing market conditions. The product must be chosen according to its existing and expected market conditions. The demand for the product is the backbone for the potential revenues of the business. If we look at the current economic situation of the American economy, we can say that any business related to children’s garments can become a profitable business. The demand for children’s garments is not only stable but it is also increasing over time. Parents like to spend money on their children. The market for Children’s garments is very competitive in the United States. There are hundreds of producers already doing this business. Moreover, imported garments can also be found in the market. So, it would not be an easy task to establish a new business in the industry. But I believe that innovation is the quality that can help me in the successful establishment of this business (Sahlman). The use of Latest technology will provide cost-efficient production.

**Location of the Business**

Location is also a key player that can affect the profitability of a business. A wise choice of location can increase the probability of success in any business. For the business of garments, we must have to establish our production in an area where we can easily find raw material for production. This will decrease the transportation cost as well as the time for transportation of raw materials. The main input for garments is cotton. We will establish our production unit in the state of Texas or Georgia because these two states produce most of the domestic cotton.

**Type of the Business**

There are many options available that can be used for the selection of the type of business. I can establish this business as a sole property. But I would like to establish this business in a partnership. The partnership will reduce my responsibilities and risks. Moreover, my partner will also give a helping hand for the initial financial arrangements of this business.

**Financial Arrangements**

Finance is very necessary for the establishment of a new business. Most people cannot start their own business just because of a lack of financial resources. For my business, I need huge financial resources. It needs a lot of money to establish a new production unit. Advertising also needs financing. Some of the required finance will be arranged by our private resources. While the major portion of financial resources will be fulfilled by getting a loan from commercial banks.

**Organizational Structure and Departmentalization**

A strong organizational structure is essential for the proper working of such a huge business. A well designed organizational structure cannot only minimize the decision-making time but it can also ensure the proper utilization of human and capital resources. There will be two major sections of the company named the production section and the other would be the advertising section.

*Production Section*

This section will handle all the functioning of production units and my business partner will be lead to this section of our business. This section of our business will further be divided into four departments:

1. **Research and Development Department**: This department will be headed by the GM R&D. This department will be responsible for providing trendy and innovative designs for our products.
2. **Procurement Department**: This department will be responsible for the purchase of all types of input that are required for the proper working of the production unit. This department will be headed by the GM procurement who will directly report to my business partner. Finance, Admin, and Purchase managers will work under the GM and they will be directed to build their teams according to the needs and conditions.
3. **Knitting Department**: This department will be responsible for the successful operation of knitting units and will be headed by GM knitting who will directly report to my business. Ten knitting supervisors will report to GM knitting and they will be responsible for the functioning of ten knitting Units.
4. **Packing Department**: The GM of this department will be responsible for the packing and tagging of stitched material and will directly report to my partner. Four Packing supervisors will work under the GM of this department.

*Advertising Section*

This section will handle all the activities that will require the selling of our products. I will lead this Section. This section will be further divided into three departments. General Managers of all three departments will directly report to me:

1. **Advertising Department**: GM advertising will be responsible for the arrangements and proposals of advertisements:
2. **Public Relations Department**: GM Public Relations will be responsible for the development of business partners. This department will also responsible for making contacts with potential buyers of our products.
3. **Human Resources Department**: This department will be responsible for the recruitment of employees. The employee's database will also be managed by this department.

**Marketing Tools: 4 P’s**

Marketing of goods or services is the basic requirement that can make a business successful. Neil Borden was a professor of marketing at Harvard University and he gave the idea of a marketing mix. This idea is called the 4P's of marketing and is still a very popular marketing strategy. The proper use of this idea in our business will make our business a success. Borden's 4P's stands for Product, Price, Place, and Promotion (Grönroos). We will use the concept of 4P’s for our business in the following way.

* **Product**: The first P of Borden's theory stands for the selection of the product. The good or service provided by a business must have the ability that it can create its demand. We have selected Children’s Garments as our product. The demand for this product is very stable and even increase over time because clothing is a basic necessity of human being.
* **Price**: Determination of price for the product is a very sensitive decision. It should be done after considering every possible aspect of the market. For our product of children’s garment, initially, we will charge a very low price just for the sake of creating extra demand for our brand. When there will be enough demand for our product, then we will be able to increase the price of our product (Möller). Off-season sales can be another price strategy for the promotion of our product.
* **Place**: The decision about the target market falls into the category of Place. Initially, we will sell our product just in the state of Texas. Gradually we will expand our business all over America. Our target customers will be the middle and upper-middle-class families of America.
* **Promotion**: The selection of advertising strategies and public relations fall under the category of promotion. For the advertisement for our product, we will use electronic media as well as signboards. The online availability of our products on factory rates will be another marketing strategy that we will use. We will also contact all chain stores of Texas for the promotion and selling of our product.

**Conclusion**

A decent and timely decision making is the basic necessity for the successful establishment of any business. A lot of decisions has to be made in the routine working of any business. Proper research and knowledge of the market help a lot in making an appropriate decision. A constructive and progressive decision making cannot only save a lot of precious time but it also has the ability to ensure proper and full utilization of every opportunity. Business is all about risk-taking and decision making. From the selection of the nature of the business to the outcome of the business, decision making is required at every step of a business. Clarity of vision, risk-taking behavior, a constructive a progressive attitude, and a good understanding of the market are the forces that will help me in the successful establishment of my business.

**Works Cited:**

Grönroos, Christian. “Marketing Redefined.” *Management Decision*, vol. 28, no. 8, 1990.

Honig, Benson, and Tomas Karlsson. “Institutional Forces and the Written Business Plan.” *Journal of Management*, vol. 30, no. 1, 2004, pp. 29–48.

Mason, Colin, and Matthew Stark. "What Do Investors Look for in a Business Plan? A Comparison of the Investment Criteria of Bankers, Venture Capitalists, and Business Angels." *International Small Business Journal*, vol. 22, no. 3, 2004, pp. 227–48.

Möller, Kristian. *The Marketing Mix Revisited: Towards the 21st Century Marketing by E. Constantinides*. 2006.

Sahlman, William A. “How to Write a Great Business Plan.” *Harvard Business Review*, vol. 75, no. 4, 1997, pp. 98–109.