

Breaking up our sales/expenses

Total Annual Sales = \$120,600

Fixed Rate (Flat Fee)

Printing (21-30 days)

- Test print on 3 yards = 2.7 meters

TOTAL= 240\$

Designer (7 days)

- Sketches and designs

TOTAL=160\$

Contractor CRW Flats first time fees

- First Pattern 1 Size 185\$ X 2
- Sampling Based on New Pattern 175\$ X 2
- Sample Fitting 65\$
- Grading per size 68\$ + 64\$
- Fold/Poly Bag/Hang Tag 1.50
- Project Management Fee (sourcing, sample development) 130\$

TOTAL=328.50

Cost of production for the jacket and pants
MIN. 100 Units (5 sizes incl/up to 3 colours)

Jackets

- 100 Units X 17\$ (two colours)
- 2 meters X 100 units = 200 meters

TOTAL=1,700\$

Pants

- 100 Units X 15\$ (two colours)
- 2 meters X 100 units = 200 meters

TOTAL=1,500\$

Fabric Costs

180m X 13.75 = **2475** +285

200m = 2,760\$ for 100 units

(400 meters)TOTAL=5,520

1300 PRODUCTS

2 X 1300 = 2,600m (minus 300 for accessories)

45 rolls x 58

58 rolls of 45 m

2610 x total amount of fabric we'd get

35,888\$ total price of fabric we buy for our first year

195,000\$ total sales if we sold all products

1300 x 12\$ = 15,600\$ to make

Printing

5.35 X 500 YARDS -> 457.2m = 2675 USD -> 3555.74 CAD for 500 yards 3555,74 X 6 =
21,334\$

One Garment = 2 meters = 3,555 meters/2=

Fabric (400 meters)TOTAL=5,520 + 21,334 +

72,822\$ purchases COGS

74,400

$1000 \times 150 = 150,000\$ - 57,447.96 = 92,552.04\$$

Gross margin = 63%

$195,000 + 72,822 - 74,400 / 195,000 = 24\%$

1,300 garments in our inventory

Selling 12 garments a week

$12 \times 4 = 48$

48/month $48 \times 150 = 7200$ **BOM?**

left for the year **EOM?** $496 \times 150 = 74,400$

120,600

+72,822

- 74,400

119,022

Sales growth 2nd

How much fabric do we need? How much will this cost us?

. The fabric we are getting from KENDOR is called **Lyocell Organic Cotton Stretch Fleece**. We believe this garment would go great with most of our collection since this is for our fall/winter collection so we need to make sure we have some fleece incorporated in our fabrics. We would like to produce 1 jumpsuit, 1 hoodie, 1 T-shirt, 4 Jackets and 1 Sweater. All except the T-shirt will have the **Lyocell Organic Cotton Stretch Fleece**

fabric. Our T-shirts will have the **Lyocell Organic Cotton Stretch Jersey** material. For each garment we need about 2 meters. If we have extra fabric we can just add that to the next batch to save on fabric. If we need 2 meters on avg per garment and we will be producing 1,300 for our first year then we will purchase about (2 meters x 1,300) 2,600 meters of fabric from KENDOR.

Finally we have about 3 accessories (bandana, hat and belts). For our first year, we will have 1,300 merchandise in our inventory. Since we don't want to sell all of our inventory in the first year we decided to sell about 12 products a week for our ecommerce sales. We'd be selling a total of 624 garments online. That would generate about 93,600 in sales solely on our online store. 22.38% of our products will be directed to our sales agencies (1,300 - 624 = 676). The rest will be at our warehouse in inventory for retail replacement. Secondly, we'd be distributing our 6 favourite styles to 6 stores with all 5 of our sizes and that would come up to 180 products that we'd allocate to these 6 stores evenly. Selling in stores will give us 27,000\$ in sales. 1,300 - 624 online products - 180 for the 6 stores = 496 left merchandise to sell for next year. Ultimately we'd be aiming to sell 804 products for our first year.

(12 products x 150\$ (our average price per garment)) 2,250 sales (online) per week

48% of our products that will be produced will be sold on our website.

That will be 93,600\$ of our total sales of 120,600\$ which is 77.62%.

77.62% of our sales will be from our online store

Store sales will give us 27,000\$ out of our 120,600\$ total sales

22.38% of our sales will come from selling in stores.

We will be selling 61%(804/1,300) of our products that we have in our inventory.

Below are the Sales Estimates for our first fiscal year.

Jackets

2 meters per jacket

Min. of 100 units to produce

Jackets (700 units)

XS S M L XL

10 30 35 15 10

Pants (500 units)

XS S M L XL

15 30 35 10 10

Beginning Inventory Costs (at the beginning of the year)

Plus Additional Inventory Cost (inventory purchased during the year)

Minus Ending Inventory (at the end of the year)

Equals Cost of Goods Sold.

1,800/week 12/week

August will be our second highest selling period since it's back to school shopping So we believe we will double our sales for this month.

August: We would be selling 24 items a week rather than sell only 12. 14,400 for this month.

96 products/month

Since we are producing lots of items this month our purchases will be quite high.

12\$/garment 12\$ + 15.54\$(printing) + 0.63\$ (fabric) = 28.17\$ for one garment on average

AUGUST= 28.17 X 96 garments/month = 2,704\$

Fabric per garment will cost $0.315\$ \text{ cents} / \text{meter} \times 2 (13.75/45 \text{ rolls}) = 0.63\$ (2m)$

Printing per garment will cost $7.77\$ / \text{meter} \times 2 = 15.54\$$ for a garment (2m)

September: It will slow down since everyone is getting settled in the school mentality and is now paying tuition and textbooks ect.. We predict we will only sell 15 a week

OCTOBER: $15 \times 4 = 60$ a month $60 \times 28.17 = 1,690$

October: Will be slow and a spike down. We will sell about 7 a week 4,200 for that month

November: Constant pace following october 9/week cause it's starting to get colder

NOVEMBER: $9 \times 4 = 36$ garments a month $\times 28.17 = 1,014$

December is our busiest time of the year since it is the holiday, students are done with exams, they're getting money for the holidays therefore more purchases are to be made. We would like to sell about 33 products a week during this month

DECEMBER: $33 \times 4 = 132$ garments per month $\times 28.17\$ = 3,718\$$

January: The new year has come and people are shopping for last minute clothing before they get back to work (holiday bonuses kick in) 24/week

JANUARY: $25.16 \times 4 = 96$ garments per month $\times 28.17 = 2704$

February: People are back at work and school and is recovering from all the gifts they bought in the holiday season. Sales will go down but not too much since it is still freezing. 15/week

FEBRUARY: $15 \times 4 = 60$ garments per month $\times 28.17 = 1,690$

March:

MARCH: $64/\text{month} = 16/\text{week} \times 4 = 64 \times 28.17 = 1,802\$$

April: Constant pace following February sales drop and we go back to our 12/week

APRIL: $12 \times 4 = 48$ garments a month $\times 28.17 = 1352$

June 76/MONTH (19 PER WEEK)

July 68/month (17 per week)

and July will be our pride month celebrations, everyone's going crazy, school over, vacation is starting and they are now ready to shop again! 24/week

$24 \times 4 = 96$ garments a month $\times 28.17 = 2,704$