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APPAREL ON-LINE : E-COMMERCE SHOP

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PROJECT

A. MANAGEMENT

- Name of Project : Apparel Online
- Leader Name : Ramirzatama
- Product sales : Sale motorcycle good quality apparel by using internet media.
- Employee : 3 person + management by owner

B. SALES MARKETING

- The product sale : the motorcycle apparel with a good quality and the product all was import from US.
- Target Market : the people which are use a motorcycle for their activity.
- The location : because this is the online base shop so there's no location / brick and mortar shop. The buyer can order and the seller can deliver the product.
- Minimum sales / month : 10 million – 20 million rupiah.
- Prices of the product : varied

C. OPERATIONAL

- Sales capacity : 40 million – 80 million rupiah.
- Facility : a computer full integrated with internet connection, website for our online shop, printers, hard disk external for backup our costumer data.

I BACKGROUND

The motorcycle is one means of personal transportation for all groups and all ages. Since its introduction in the world in the early 20th century, the number of users of motorcycles has increased further. Currently in Indonesia the number of motorcycle users had exceeded the figure of five million users, and that number continues to increase each year up to 30%.

Huge market potential is what makes business people rushing into the industry relating to motorcycles, from the motorcycle, spare parts, tools, until the equipment in the form of apparel and its accessories. In Indonesia, this market is more dominated by local players, which can be seen everywhere in big cities.

Many of these market players to play in the offline world, so we decided to enter the online market place where competition is still small and can reach a wider market, which is international. With the concept of online motorcycle clothing store, we sell and markets a variety of motorcycle apparel from various brands are available, from local to international brands and we named www.motopparel.com.

I.1 PRODUCT AND SERVICES

Product that we offer in the form of jackets, pants, helmets, and gloves which are available from local brands, up to an international brand. While the services that we offer is a satisfactory delivery.

I.2 DIFFERENTIATION

What differentiates us from others is that we are selling motorcycle apparel online, where our customers who do not have time and access to reach the general store to buy their needs. We not only sell products from within the country, but also foreign products. We also have a booking system that is easy, so does not hassle customers, and we use a reliable delivery services, so your order can be accepted until the destination on time and in satisfactory condition.

Keys to success:

Keys to success in is project the first is the introduction of the website and our products to customers. In selling something on the internet, one thing that really matters is how well known is ourselves, and to achieve that we have to market our product to all of them. Secondly, in situations where the customer can does not see directly the desired goods, we must give as much detail as possible about the product on offer, and also about ourselves to get the trust of our customers. Third, the way good writing is the key to selling products. Our customers can only see our pictures and writings about the product on the web, because it sells writing technique that is desperately needed in this business.

II SALES MARKETING

II.1 THE PRODUCT

1. The product that we are sales is everything that connected with motorcycle apparel product which is having a good quality and have an international brand.
2. We can guarantee if our product have many of benefit for the motorcycle riders this is because of the quality of the product itself and that also because the function of our product to keep the riders safety on the road.
3. The scope of our product sales is every city in Indonesia because we using a media internet (e-commerce) for the base of our sales.
4. Market segment: the people which is using the motorcycle in their daily activity (man and women).

II.2 THE COMPANY SALES MARKETING STRATEGY

The Marketing Strategy:

1. The Product Description:
 - Product Quality : all of our product, we can guarantee if there's in a good quality and all of product was import from US. All of our product is a rare item in the market so we will have our own market.
 - The Product size : international size in all of size (depend on the order).
 - The packing : in delivery processes the packing will be support with the best packing to keep our product save to the buyers.

2. Product Pricing:

- The Price : Varied
- Requirement of payment : Transferred by a debit card or using a credit card.
- Product discount : we will give a discount 10% to our product if there's any transaction up to 2 million rupiah.

3. Sales system

We will sales our product by using an internet media with our website that already make by us with the name of our website is: www.motopparel.com and all the concept is an e-commerce web design, that's make a customer can check the price of our product, check the item or the model that available in our online shop, check the supply of the product, check the size and also can buy our product by transferring the money to our account and also can using a credit card for the transaction.

The benefit of e-commerce business:

- Only need a small of capital to start the business.
- Just need a computer which is fully integrated with internet and also the template website we already to begin the business.
- Don't need a warehouse for stock the product.
- There's no brick and mortar shop.
- We can sales on global because our base sales by using e-commerce so everyone can access our shop.
- Decrease the operational cost.
- Safe time and more efficient at the process sales and buy.

4. The Promotion

Our promotion by using a media like a newspaper like in automotive tabloid or in automotive magazine. We also were using an internet for doing our promotion. We can use a social network such as facebook or using twitter for promotes our website and product

III. THE OPERATIONAL

III.1. The Product

1. The Product Characteristic:
 - a. Provide in every size (international size).
 - b. The color of the product same like the catalog in the website.
 - c. The apparel has an international quality.
 - d. The products have an international brand.

2. Product use:
 - a. To give a better protection to all riders
 - b. Introduce the best quality to protect body when ride a motorcycle but also with fashion.
 - c. Give an education to the riders to drive safety.

IV. FINANCIAL FORECAST

4.1. FINANCIAL OVERVIEW

This online apparel business is designated to be a small business that can be managed personally by the business owner. The risk is designed to be minimized until we can reach profitability. This is achieved by utilizing owner as business manager up to break event point. The personnel required is just for operation level human resources that will be handling daily logistics, order processing, and financial booking. The total operation personnel are three persons which are working under owner management. Additional resources can be added later based on the profitability of the business as it reaches break even point.

4.2 INITIAL SETUP COST

Initial cost required for this business is Rp.160, 000,000 (160 million Rupiahs). Below is the detail breakdown:

Initial Setup Cost	
Apparels stock up *	75,000,000
Accessories stock up	15,000,000
Website setup	30,000,000
Working Capital	30,000,000
Promotion	10,000,000
Total	160,000,000

Notes: The stock will be repurchases when the inventory level reached 50%. The stock is purchased by import from United States, and other country.

4.3 MONTHLY SETUP COST

The total monthly operation fixed cost is Rp. 10,000,000 (ten million Rupiahs). This implies that minimum ten millions fixed cost must be covered by the profit generated each month to cover the business expenses. This is also designed with low risk nature in mind by utilizing home as warehouse. Lease or purchase of dedicated warehouse will be considered later when the business has been profitable.

Monthly Operational Cost	
Employee	7,500,000
Utility bill (internet, electricity, etc)	2,000,000
Web hosting plan	500,000
Warehouse	-
Total	10,000,000

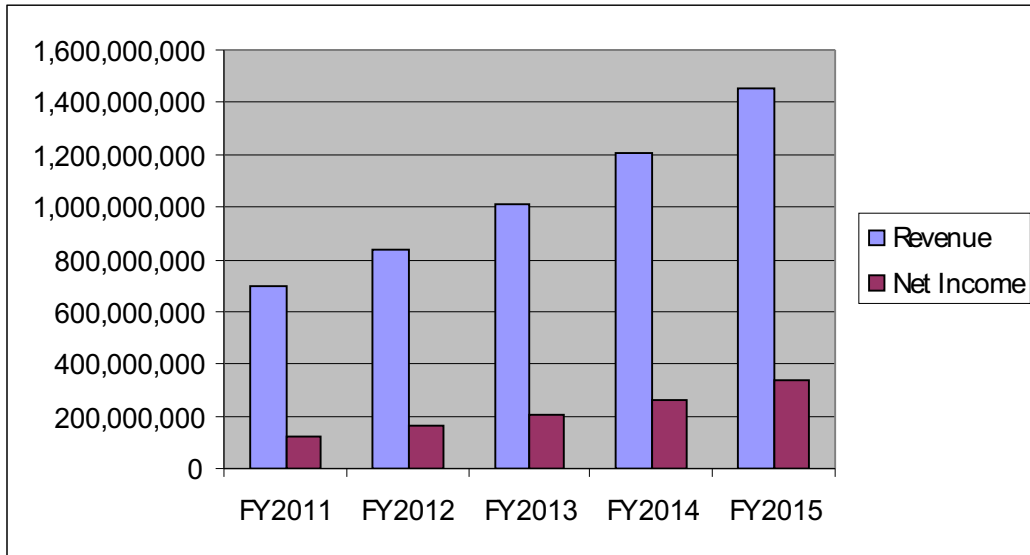
4.4 REVENUE FORECAST

Monthly revenue for first year forecasted to be 40-80 million per months, with an average of 60 million. Multiply this by 12 months, expected first year annual revenue is 700 million Rupiahs. As promotion start to show actual sales result, sales growth expected to be 20% per annum. 35% average gross margin is expected.

Operation cost for first year is 10 millions per month or 120 million for one year. Operational cost is expected to be increased following Indonesian inflation rate at 6-8% per annum.

Sales Forecast	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Sales	700,000,000	840,000,000	1,008,000,000	1,209,600,000	1,451,520,000
Profit Margin on Sales	35.00%	35.00%	35.00%	35.00%	35.00%
Profit	245,000,000	294,000,000	352,800,000	423,360,000	508,032,000
Operational Cost	120,000,000	132,000,000	145,200,000	159,720,000	175,692,000
Net Income	125,000,000	162,000,000	207,600,000	263,640,000	332,340,000
Accumulated Income	125,000,000	287,000,000	494,600,000	758,240,000	1,090,580,000

Sales forecast from 2011 up to 2015



Forecast Revenue and Net Income

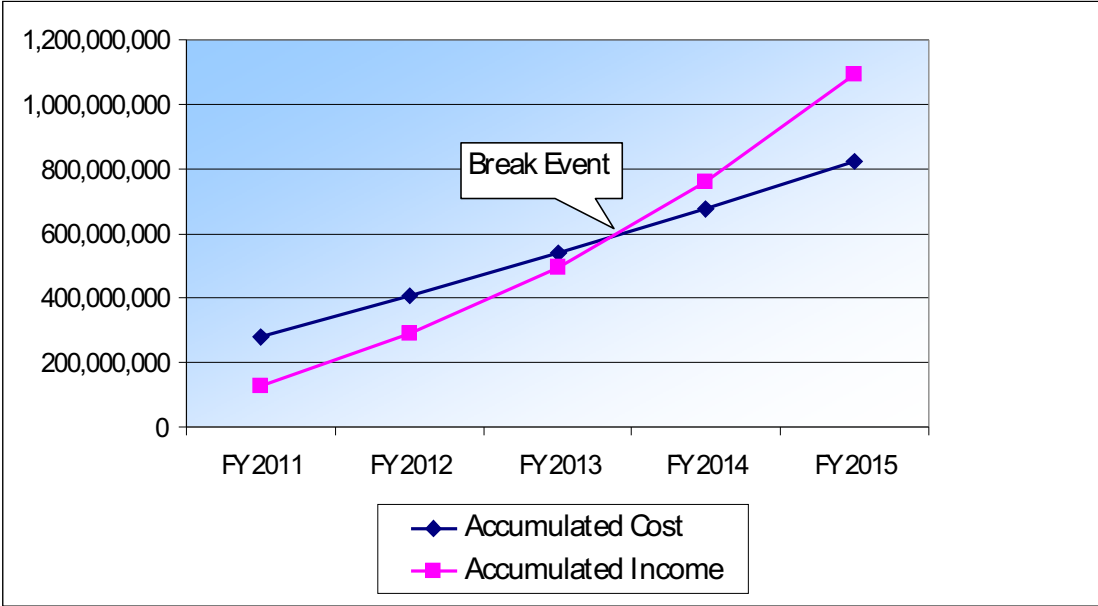
4.5 BREAK EVENT POINT

With above expected revenue and operation cost, break event point is expected to be reached before third year of the operation. Below is the break even simulation chart based on 20% growth year on year and 6-8% inflation factored in.

Break Event Point	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Operational Cost	120,000,000	126,000,000	132,300,000	138,915,000	145,860,750
Accumulated Cost	280,000,000	406,000,000	538,300,000	677,215,000	823,075,750
Net Income	125,000,000	162,000,000	207,600,000	263,640,000	332,340,000
Accumulated Income	125,000,000	287,000,000	494,600,000	758,240,000	1,090,580,000
Income	125,000,000	287,000,000	494,600,000	758,240,000	0

Break Event Point Simulation

Below the chart for above break event point simulation



Break Event Point Chart

V. PROJECT ROLES AND RESPONSIBILITY

Project roles that may need to be required for your project.

And with the participants: The client, designer, stakeholders, people or community, users internet.

PROJECT MANAGER

- a. monitor /control the project plan
- b. give an order /assignment to the team members
- c. Handle problem resolution
- d. Managers the project budget

Project manager:

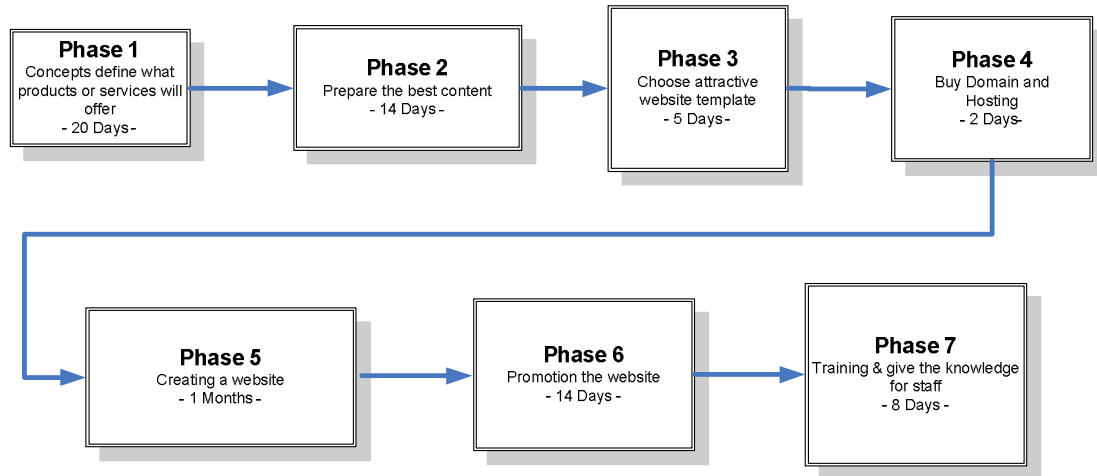
- a. the person with authority to manage a project
- b. includes leading the planning and development of all project deliverables
- c. responsible for managing the budget and schedule

Business Roles and Responsibility

A .made the organization structure

B.more people involved and its important that people understand,what they are expected to do,and what role people are expected to fill.

VI. STEPS FOR MAKING APPAREL ONLINE PROJECT



6.1 Phase 1 –Concept define what products or services will offer

The first phase for making apparel online project is to determine and define the product or service will offer and sell to customers. The first stage is very important to make the consistency of the product that will be sell to market, so we don't sell other products besides the main products that have been determined from the initial commitment. For online apparel project will offer the best quality product which imported from U.S.

6.2 Phase II – Prepare the best content

The second phase of this project after defining the concept is to make the product look more attractive, make the customer interested to buy. Items to be sell must have detail picture and specification of each products, and the manual to use it. Due to online project, all products must be displayed with useful content and not confuse for buyer.

6.3 Phase III –Choose attractive website template

The third phase of this project is to make the online store of these products (websites) that must an attractive template. Consumers who want to buy the unique product that hard to find in anywhere, but with apparel online with only looking the website they easily got the goods. Attractive website templates created to facilitate interaction between seller and buyer.

6.4 Phase IV – Buy Domain and hosting

The fourth phase after determining a website template then we buy Domain and Hosting for making online apparel websites, so that website can be promoted and accessed via the Internet. In determining the domain and hosting needs to consider the place, reliability, and security. That activities is to facilitate the buyer who want to buy and the seller who selling apparel products via online. Customers will feel comfort and feel safety to purchase all products through the Internet.

6.5 Phase V – Creating a website

The fifth phase is to create online apparel website. In this phase is necessary expert and programming skills. All that has been obtained or compiled from phase 1 to 4 will be input into this website. This activity must integrate all the data obtained into a system (website address) that will be accessed by all Indonesian people.

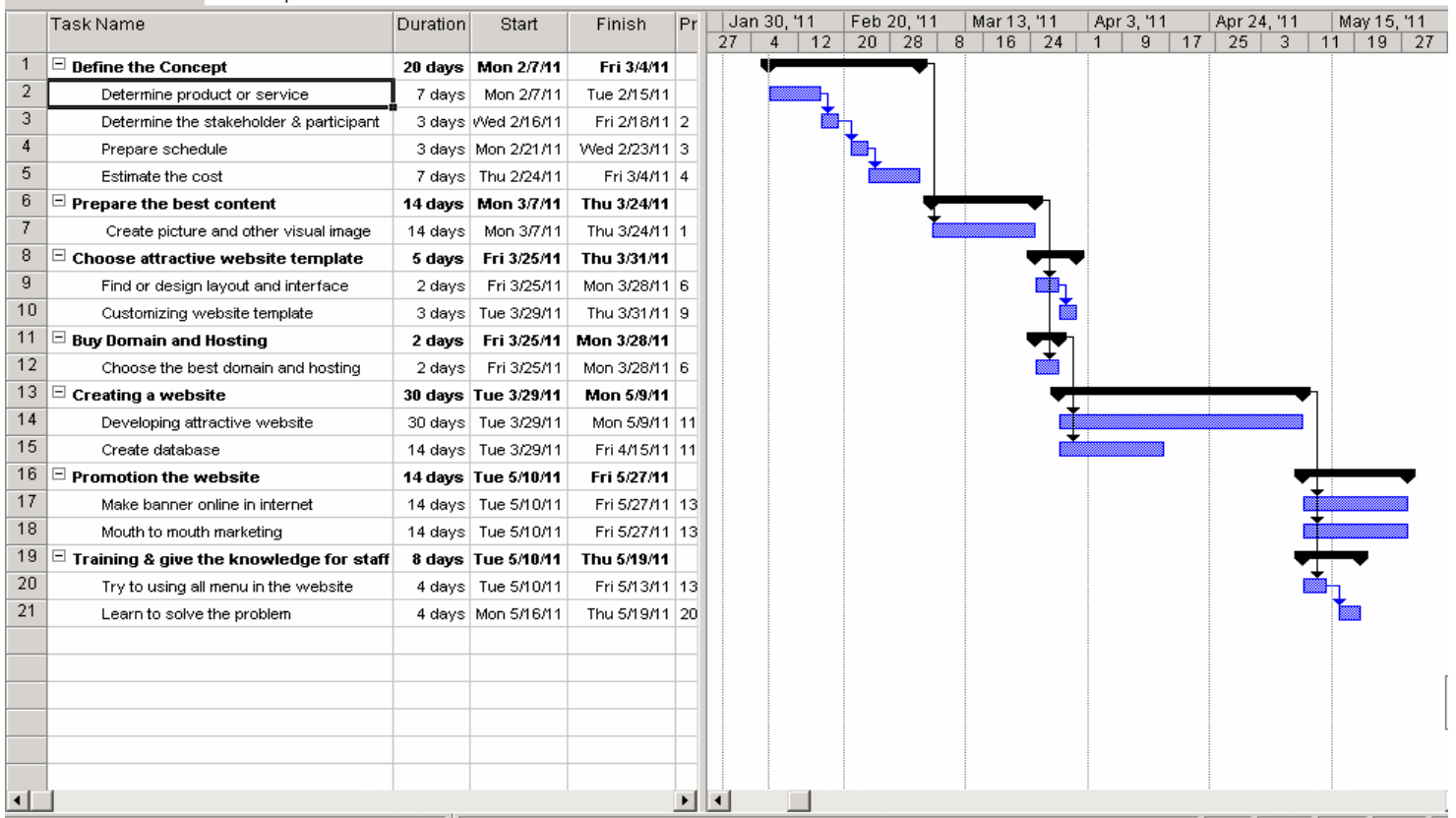
6.6 Phase VI – Promotion the website

The sixth phase is making the promotion of websites that has created through multiple electronic media on the internet. This activity is to introduce the products to all the communities in Indonesia. According to described above, it will using the online media campaign, one of them such as social networking sites like facebook or twitter.

6.7 Phase VII – Training & give the knowledge for staff

The final phase in the online apparel project is to provide training and knowledge to internal staff so they can easy and quick serve all buyers through the Internet. They must be able to provide clear and detailed about the information of product and also provide understanding to the buyer if one day our website system error.

VII. PROJECT MILESTONE



The following represent key project milestones, with estimated completion dates:

<u>Milestone</u>	<u>Estimated Completion Date</u>
Phase I: Define the Concept	20 Days
Phase II: Prepare the best content	14 Days
Phase III: Choose attractive website template	6 Days
Phase IV: Buy Domain and hosting	2 Days
Phase V: Creating a website	1 Months
Phase VI: Promotion the website	14 Days
Phase VII: Training & give the knowledge for staff	8 Days

For the details of the initial phase until the final phase can be seen below:

7.1 Define the Concept (Total 20 Days)

- **Determine product or service**

The first stage 'Determine product or service' and it takes 7 days.

- **Determine the stakeholder & participant**

This stage can be executed if the stage 'Determine product or service' is finished. It takes 3 days.

- **Prepare schedule**

This stage can be executed if the stage 'Determine the stakeholder and participant' is finished. It takes 3 days.

- **Estimate the cost**

This stage can be executed if the stage "Prepare schedule" is finished. It takes 7 days.

7.2 Prepare the best content (Total 14 Days)

- **Create picture and other visual image**

This stage can be executed if the first stage 'Define the Concept' is done. It takes 14 days.

7.3 Choose attractive website (Total 5 Days)

- **Find or design layout and interface**

This stage can be executed if the second stage 'Prepare the best content' is done. It takes 2 days.

- **Customizing website template**

This stage can be executed if the stage 'Find or design layout and interface' is finished. It takes 3 days.

7.4 Buy Domain and Hosting (Total 2 Days)

- **Choose the best domain and hosting**

This stage can be executed if the second stage 'Prepare the best content' is done, and can be run concurrently with the stage 'Find or design layout and interface'. It takes 2 days.

7.5 Creating a website (Total 1 Month)

- **Developing attractive website**

This stage can be executed if the fourth stage 'Buy Domains and Hosting' is finished. It takes 30 days.

- **Create database**

This stage can be executed if the stage 'Buy Domains and Hosting' is finished, and can be run concurrently with the stage 'Developing attractive website'. It takes 14 days.

7.6 Promotion the website (Total 14 Days)

- **Make banner online in internet**

This stage can be executed if the fifth stage 'Creating a website' is done. It takes 14 days.

- **Word of mouth marketing**

This stage can be executed if the stage 'Creating a website' is finished and can be run concurrently with the stage 'Make banners online in the Internet'. It takes 3 days.

7.7 Training & give the knowledge for staff (Total 8 Days)

- **Try to using all menu in the website**

This stage can be executed if the stage 'Creating a website' is finished and can be run concurrently with the stage 'Promotion The website'. It takes 4 days.

- **Learn to solve the problem**

This stage can be executed if the stage 'Try to using all the menu in the website' is finished. It takes 4 days.