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ECO-CANVAS AND CIRCULAR ECONOMY

Proposal for a sustainable t-shirt business model

Final Master Thesis



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E M P R E S A

U P C T

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Abstract

This project involves the development of an innovative business or start-up for sustainable eco-canvas T-shirts. Based on the analysis of current relevant sources about the topic, the project will discuss the problem of pollution caused by the fashion industry and linear economy. The main problems and their causes will be addressed and analysed, paying special attention to the processing of most of the fabrics and the processes to avoid. Paying attention how to reuse, recycle and give a second life to clothing and thus reduce waste. At the basis of a green and sustainable lifestyle there is the need to reduce waste and consume less but better. Through the use of a circular economy action plan, we will make proposals for the design of more sustainable products and waste reduction in the world. The fabric we intend to use is organic cotton for the creation and development of an eco-friendly commercial company with a business model for a fashion label, mainly streetwear, therefore targeted at a young market and mainly sold online through the most popular online marketplaces, such as ASOS or Zalando. To do this we will use an Eco-canvas model with the aim of maximizing the positive effects and avoid or eliminate the negative impacts that currently succumb to society and nature. The aim of the project is to generate an income and create job positions for other people, take care of environment and contribute to archive of sustainable development goals (SDG 12 and SDG13).

Keywords: eco-canvas, sustainability, organic fabrics, fashion, circular economy, t-shirt, respect.



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INTRODUCTION

This project aims to propose a business model for a sustainable fashion company that uses organic fabrics like organic cotton or hemp as its main materials, understand how to reduce waste, reuse, repair or recycle.

Nowadays, fast fashion and linear economy models, have devastating effects for the environment and for society as a whole. According to Sinkevičius (2020), the Commissioner responsible for the Environment, Oceans and Fisheries says that to ensure that there is sufficient food, water and prosperity in the future, it is very important start changing our economy. For this reason, Dutch government, for example, are accelerating to place the circular economy at the center of the Dutch presidency of the Council of the European Union and place the program at government level thus eliminating the linear economy. The main purpose of this project is to manage and ensure healthy and safe living and working conditions so as to cause less damage to the environment.

It is in the strategic plans of many companies to develop in the immediate future both circular solutions and new business models to achieve economic development goals free from the use of increasingly scarce resources.

According to Dunk (2016):

Through the increase in consumers buying new products all the time also due to fast-fashion, we have increased production rates exponentially over the last 10-15 years. UK families spent around £ 57.2 billion in total on clothing purchases across the country in 2014 (WRAP, 2015). In Hong Kong, the same year, according to a report released by Green Peace, the average annual per capita expenditure was HK\$9,420 (equal to about 219hkd billion dollars a year). The immeasurable development of fast fashion has caused a high rate of textile waste, pollution levels and energy and water consumption.

Having discussed the negative environmental and societal impacts of linear economy models, a more eco-friendly, sustainable model based on the idea of circular economy seems like the best alternative to change things, prevent pollution and reduce waste. Nobody can deny the benefits of using eco-friendly, recycled materials such as eco-canvas.

So why not use an ecological fabric? (Which is grown without poisonous pesticides) as well as organic cotton, hemp, flax, wool and silk. Thanks to the use of these eco-friendly fabrics, huge emissions of carbon dioxide are avoided while with synthetic materials they would require such and are also not biodegradable. An excellent ecological option could also be second-hand clothing, re-wearing and reusing clothing items are among the main slogans of eco-fashion.

Obviously, we know how fashion changes continuously as well as the need for a new and fresh design, for this reason being fully sustainable means, in fact, also being within the reach of a wide audience and not the privilege of a niche able to afford it economically. Only in this way can sustainable design become the common denominator of a lifestyle shared by all and part of a balance and circularity that leaves nothing or anyone out. For the well-being of people and the environment.

Our project will consist of nine chapters in order to achieve our objectives. In the next sections a model for a circular economy applied to fashion is presented. In this section, that discuss the negative impacts of a fast-fashion model on the environment and society as whole. Then, the benefits of a circular economy, particularly in the form of a slow-fashion model. In the next part of the project, it will explain why it is good to believe that this business model can be a business opportunity. We will introduce the mission, vision and values of our start-up. Finally, the definition and the notions of eco-canvas. After having justified the viability of the business model, we will move on to discussing the business environment. To do so, we will conduct different kinds of analyses, including SWOT, PESTEL and Porter's five forces. We will follow up with the project that will include an operations plan, an organization of human resources, a marketing plan, a financial plan, and a contingency plan.

Finally, the most relevant conclusions collected from the development of a business model, discussing its strengths and limitations and future lines of work.

1. CIRCULAR ECONOMY MODEL APPLIED TO FASHION INDUSTRY

According to Bignami (2018), one of the aspects, often overlooked, is the pollution of the global fashion industry, and although clothing is fundamental, it generates and spreads a lot of CO₂. Just think that it is more than the entire world air traffic. The cause of these emissions, concern production (before) and "maintenance" (after) as huge quantities of water and energy and various non-renewable resources are used (also for the purification of industrial and domestic waste water).

In the textile industry, currently, it uses the linear production method. It produces clothes, consumers buy it, wear it and finally throw it away, and disposing of it in the wrong way, so practically used clothing is not part of the production circuit. This linear "produce-use-throw" model, still predominant, gives rise to the concept of "fast fashion", this sector generates 1.2 billion tons of greenhouse emissions every year, among other impacts.

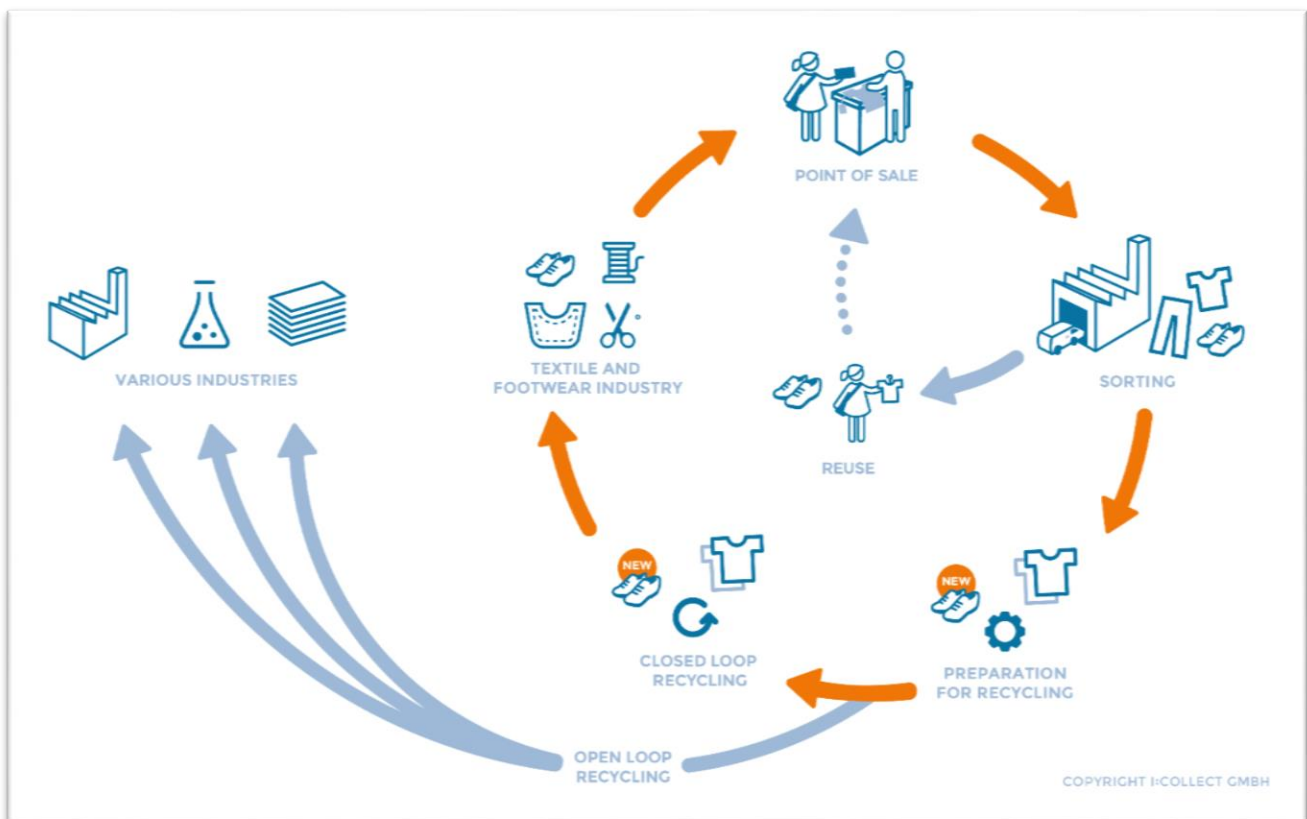


Figure 1. Rethink, reuse, recycle, renew. Source: I:collect GMBH

The circular economy, on the other hand, is a production economy model capable of self-regenerating and proceeding indefinitely with finite resources.

A system in which there is no waste: only streams of biological materials, which can be reabsorbed by the biosphere, and of technical materials to be revalued, that is, transformed into new useful objects. This model involves the consumption, sharing, lending, reuse, repair, refurbishment and recycling of existing materials and products to ensure a final product that lasts as long as possible while helping to minimize waste. But let's see what happens when a product runs out of life. Through recycling cycles, the materials it is made of are regenerated and reintroduced, where possible, into the production and economic cycle. Therefore, they can be reused and given new life continuously by generating additional value. Completely contrary, the traditional linear economic model, currently used all over the world, that its foundation is based on three principles "extract, produce, use and throw away". This linear economic model requires large quantities of raw materials and energy readily available and at a low price.

In this context, the European Parliament calls for the adoption of measures against the planned obsolescence of products, a strategy typical of the linear economic model.

1.1. Fast fashion and the environment

We are facing a growth in the demand for raw materials but with a great shortage of essential resources for the economy, especially in this Covid-19 period in which the prices of raw materials such as energy and metals have reached record levels.

Due to the Coronavirus, more than 190 countries are in lockdown and the whole world seems to have stopped. Global trade has been disrupted, airlines have canceled flights, and all offices and businesses have even closed. The pandemic is severely damaging health care and the global economy. We can see and underline how even in this difficult moment, not all evil comes to harm. In fact, thanks to the current situation, nature has had the opportunity to breathe again and improve what is the life of animals, vegetation and with the reduction of CO₂ even the air is clearer. Probably this pause will not last long but we have understood how humanity has influenced, and continues to do so, to destroy everything it touches.

The world population is constantly growing and consequently the demand for these resources also increases by now almost at the end. Many EU Member States depend on other countries for the supply and requirements of these raw materials.

The European Commission published an Action Plan on Critical Raw Materials (Ries,2020), which classifies raw materials as critical if they are of crucial economic importance but cannot be reliably and sustainably extracted within the EU. The EU is particularly dependent on imports from other countries when it comes to raw materials that are important for the European digitalisation and Green Deal and for the development of future-oriented technologies. The opinion on the action plan on critical raw materials highlights that, in order to safeguard Europe's supply of critical raw materials, local and regional authorities play a crucial part in increasing the extraction of raw materials within the EU and improve the recycling capacity of critical raw materials.

Furthermore, carbon dioxide emissions are released to extract the raw materials, which have a negative ecological impact on the environment. A more rational use of raw materials can help reduce and use low-carbon energy.

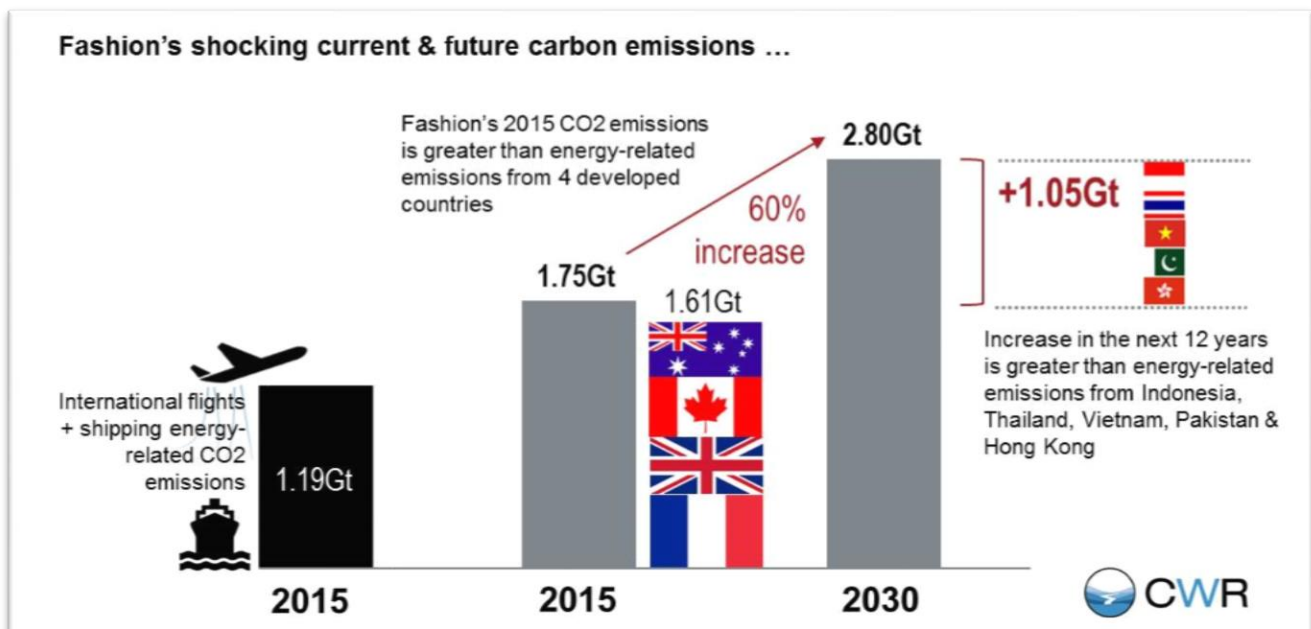


Figure 2. Fashion's carbon emissions. Source: CWR, Pulse of the fashion industry 2017 Report, IEA.

The textile industry is second in the world in terms of environmental pollution, according to the 2014 Valuing Plastic report by the UNE. Much of our clothing is contaminated with toxic substances triggering more and more cases of allergies and skin dermatitis.

Most researchers agree that concern about environmental pollution is closely linked to the future of humanity, but they also agree that the working conditions of the textile industry are an international scandal now recognized all over the world, yet still ignored by consumers.

A report by the University of Sheffield (Edwards et al., 2019) discusses the poor conditions that many textile workers experience worldwide. It is widely known that millions of workers receive low wages and are subjected to very poor working conditions in developing countries all over the world. To make things worse, women are often sexually exploited and children are forced to work very hard.

Today we are not yet able to understand what the effects on humans will be caused by the continuous exposure of toxic substances. Of course, we are absorbing these negative substances through our clothes. The consequences we will see over time; our organism is able to absorb these substances as has been revealed by the case of mercury present in fish.



Figure 3. Child working in H&M factory under exploitation conditions. 01-02-2016. Source: TODAY.

Unless we have specific allergies or skin dermatitis, we continue to wear contaminated garments throughout our lives. The consequences will be visible before long, and it will be the future generations who will pay for them.

The fast fashion model was founded in the 1990s and aims to reproduce the famous 'seasonal trends' seen in fashion shows, but at a much lower cost (Bhardwaj & Fairhurst, 2010). This model entices consumers to follow and buy the fashion of the moment, not taking into account the quality and the longevity of the clothing.

Especially in the last 20 years the clothing industry has evolved significantly due to the continuous requests and needs for new and different products, this requires retailer companies to develop large and continuous production and commercial flows that involve low costs and flexibility in design, quality and speed to market, the so-called fast fashion. This strategy is the key to maintaining a profitable position in the market such as H&M and Zara, big names in the fast fashion world, obviously all thanks also to the boom and spread of online shopping.

As its name suggests, fast fashion is produced in extremely tight times and for this reason the fashion brands that follow this trend continuously change the goods displayed in stores, eliminating the classic fall/winter and spring/summer collections, so as to attract customers to buy clothing always in step with the times.

Fast fashion is produced within two weeks. This increases the exploitation of workers, often children or adolescents who are forced to work hard for many hours a day, without any rights or assistance. Typically, the process from the design of the collection to the arrival of the collection in stores takes about two weeks. This allows the brand to launch from twelve to even twenty-four collections per year. An article published in The Guardian (Burgen, 2012) documents that Zara gets to launch 12,000 pieces every year.

If our demand for eco-sustainable clothing increases, it follows that fashion companies will have to adapt to the market by abandoning fast fashion or evolving it in a more ethical and sustainable way: using natural fabrics of organic origin, artificial fabrics of natural origin, strictly biodegradable or recyclable, and clearly respecting social rights to offer a fairer job.

"Disposable" is the motto of this linear and consumerist economy, in fact more and more people around the world buy and wear clothes that have an ever-shorter lifespan. Most of the factories of fashion companies produce in Asia or Bangladesh, very poor and distant places where workers are often underpaid and exploited or minors. These long distances also require a large amount of energy if only for transport to all countries of the world.

Most of today's clothing is made from synthetic and non-biodegradable plastics with disposal. In particular, polyester releases a large number of tiny and practically indestructible particles with each wash that sooner or later end up in the sea.

A study by the IUCN (cited in Briggs, 2017), the World Union for Conservation of Nature, examined data from seven marine regions of the planet to develop a model that allows to monitor the main sources of 9.5 million tons of plastic that end up in the oceans every year, with the result that: between 15% and 31% come from tyre abrasion and degradation of synthetic fabrics released during washing.

Furthermore, another important aspect that affects the environmental destruction are the special processes that include technical fabrics such as waterproofing. This technique involves the use of fluorochemicals that are toxic.

According to Richard Blackburn, of the University of Leeds (UK), to waterproof a garment it would be almost better to use hydrocarbon derivatives, in the current state of things they would be less polluting than chemicals, (Blackburn, 2021).

1.2 Forces of change to business models based on circular economy

We can find the circular economy in every household. It is good to see how it faces every difficulty related to nature and the environment. This problem analysis starts with analysis of the EU but must also begin to be a part of every person. Because everything starts with us, from every single individual, from every family, home, in our small way we can make many daily choices we must change our models to consume in a more conscious and sustainable way to move towards a respectful, better and greener future. Understanding that we must take care but above all safeguard the surrounding environment and start producing more responsibly as everything affects everybody. From the clothing we purchase to the way we build our homes, the waste we create and the amount waste of energies.

The silent but continuing threat today is climate change. The whole surrounding environment is in continuing degradation, change and adaptation and to overcome these challenges, Europe, but not only, each of us, needs a new strategy that will allow us to grow and that will transform and evolve the current economy in circular. It will have to be efficient and competitive with a better exploitation of raw resources but above all a recycling and reuse of those already used, allowing the elimination of net greenhouse gas emissions by 2050. It will be possible to pay more attention to the rights of each individual, place, animal, of every single living being in order to improve everyone's life.



Figure 4. Ecologic Fashion. Source: MCM.

The EU strategy, discussed by the Green Deal, foresees an action plan that will make it possible to make the current economy sustainable, which will go from linear to circular and clean in the European Union. Transforming climate and environmental problems into opportunities, promoting the efficient use of resources, restoring biodiversity and reducing pollution through necessary investments, the financing tools already available.

The EU's main goal is to transform the climate perspective in 2050 proposing EU rules and transform these good intentions into laws. Achieving these goals will only be possible thanks to the intervention of all sectors of our economy. We will need to invest and support which respect the environment, implementing innovations and new forms of public and private transport that are cleaner, cheaper and healthier. Decarbonising the energy sector and also ensuring that building structures are more energy efficient.

Obviously, thanks to the use of sustainable or eco-friendly packaging, it is possible to reduce the environmental impact over time. This type of packaging pollutes little because it is recyclable or biodegradable. Reducing the use of plastic will help to eliminate it permanently and will favor other more sustainable materials and easily recyclable packaging solutions. Finally, it is important to be transparent about how we dispose of waste and to strengthen the commitment to protect the environment.

We can say that with passing to a circular economy there will be more awareness on the production of a product and the various mechanisms that lead to giving a real value to what it compresses and certainly it will not be disposable but consumers could take advantage of longevity and innovation in able to save and improve the quality of life.

1.3. Slow fashion

The phrase “slow fashion” originated in 2007, when the sustainable design consultant Kate Fletcher defined with these words the type of production and consumption of clothing based on the principles of the “slow food” movement.



Figure 5. Slow fashion. Source: ttanti.com

Slow fashion is thus the opposite of fast fashion and growing consumerism, especially with regard to goals and values. Whereas the disposable fashion of the last decades produces many collections in a short time by exploiting low-cost labour in countries like Pakistan or Bangladesh, slow fashion promotes a slower production model and is produced locally with sustainable materials. Choosing to use, wear and part of slow fashion is an ethical question. The people

approaching this type of niche at the moment are informed people with cultural diversity and identity.

Slow fashion is not a new fashion or a new trend; it is a conscious and wise approach to fashion, an approach that also wants to consider aspects such as environmental protection and the improvement of working conditions. This means, first of all, buying fewer and higher quality clothes, which will last us longer.

A great way to contribute is to definitely consider your needs based on your lifestyle. Slow fashion encourages us to try to learn more about our body shapes and learn how to choose the clothes that best fit us and make us feel good. This way we can organize our wardrobe better.

There is some simple advice we can all follow to promote slow fashion and avoid disposable fashion and unsustainable consumerism. For instance, it is a good idea to pay attention to clothing labels in the same way as we do for food. We know that higher quality means a higher expense, but it is better to buy a good quality T-shirt than three cheap ones, which will be ruined after a short time. Buying from local producers or artisans helps the local economy of your city and country, especially in the current pandemic situation caused by Covid-19.

Similarly, we must avoid impulse shopping. We often buy something only because we find it at an affordable price but without really needing it. We should take care of clothes and accessories in order to extend their life. Before washing, read the information on the label and use the appropriate products.

One of the fundamental aspects of slow fashion is above all repair and recycling. Sometimes you don't necessarily need great sewing skills to give old clothes a new life. Instead of throwing old or unused garments in the trash, you can try to sell them on online sales platforms (for example Ebay, Wallapop or Vinted) or take used clothes to collection points managed by charities and government organizations. Also, some companies like H&M and Zara provides to collect used or old clothes to recycle, resell them for social purposes, use them for industrial rags or stuffing or give them new life through containers placed in stores all over the world. In this way vintage garments come back into fashion, so it could also be nice to enter the shops that sell second-hand garments. It is possible to find designer garments in excellent condition that might be about to become trendy again.

2. BUSINESS OPPORTUNITY

Today's customers, especially the younger generations, are increasingly concerned about the details of the products that they want to buy from brands whose values reflect their passions. Obviously, thanks also to new technologies and with the growing demand of consumers, changes occur naturally within companies and in the way these products are produced, distributed and marketed. This ethical shift is having a clear effect on even the biggest brands that have already made many changes to their packaging, manufacturing and materials. Big names in fashion such as ASOS, Prada, H&M, Stella McCartney and the vegan range of Doc Martens to name a few, are increasingly choosing a conscious and more respectful of nature approach and it is becoming a must for fashion companies.

Communicating the sustainability of a brand to the consumer guarantees greater reputational capital and social awareness, which means competitive advantage. This also allows companies to enhance them through investments in tangible and intangible quality, continuing to guarantee a solid competitive position on international markets. Obviously, this is also reflected in the consumers who tend to desire and choose sustainable fashion, spending more on ethical and sustainable brand products, in any area from body products to trendy food. This trend is not passing as more and more customers are understanding the importance of taking small steps in this direction.

Also, with the growth of e-payment systems and technologies for online sales and e-commerce, systems for digital measurement remotely, virtual dressing rooms and more, this sector has been intertwined forever with the digital sector, creating new professional figures alongside graduates in economics and management.

With the affiliate and network marketing system it's possible to sell clothing online without owning anything specific. All products, warehouse, shipments, contacts with customers are the responsibility of the company with which we collaborate. Online earnings can be generated by direct work, sales = commission, or by the turnover generated by the team we have built. In fact, the company will recognize for a percentage of the turnover that has been generated by the people we have helped by creating this job opportunity. All this is possible if there is an e-commerce site that acts as a reference point and as a great starting point to reach a world market.

2.1. Mission, vision and values

The company strongly believe that the use of organic fabrics that derive from natural fibres from organic crops, that is, not treated with pesticides, herbicides or chemicals to enhance their growth, can be a starting point to change the current disastrous situation.

The opening of the company starting from scratch is a creative experience that first of all allows to start an entrepreneurial activity but also to show that dreams can come true. Also, the freedom that comes from being your own boss is fantastic, not to mention the earning potential which is also quite tempting. The mission of our company is to give customers a valid, organic product that is respectful to nature but with a unique and fashionable design.

SCLN, the name of the company, will offer Eco-T-shirts in an online solution. The action for the sustainability and responsibility of the company will be articulated with constant commitment in a general program and with commitment we will define the philosophy of sustainable value, which is the political line in managerial choices.

We can see how the fundamental principles on which the vision and mission of the company will be developed can be summarized in the word: **RESPECT**. A brand that embraces everyone, all races and includes all LGBTQIAPK people. Respect for the human rights of employees and equal opportunities through the protection of health and safety and the gradual increase of professional skills. Therefore, respecting all the staff and stakeholders, also involving suppliers in this. Also respecting and protecting the environment and biodiversity. The diversity of culture, gender, and disability will be valued and there will be cooperation and promotion of solidarity. Also, the company will contribute with projects that defend women's rights, support the arts, child protection, health promotion, education and justice projects and minorities who need help.

2.2. Eco-business model canvas

For the project we decided to use a sustainable model or Eco-Business Model Canvas. The goals are to maximize the positive effects and avoid or eliminate the negative impacts that currently succumb to society and nature.

The schematic visualization favors the concept of the project and clarifies and communicates to the staff and to third parties, preparing a solid business plan to support the development of the idea into a viable and eco-compatible business model.

Eco Business Model Canvas

Designed for:

S C L N

Designed by:

Simone Celano

Date:

Version:

Key Partners

Local and European partners
Trendscouts and influencers
Suppliers
Retailers
Sponsors
Crowdfunding
Content Provider
Eco-Friendly Clothes
Producers of basic T-shirt
Textile Printer

Key Activities

Designing
Supply chain management
Distribution
Social Media Marketing
Production
Interface Software
Content and after-sales services

Key Resources

Marketing
Human Resources
Equity
Organic Materials
Sustainability
Staff
Wi-Fi and PC
Brand

Value Propositions

Networking and collaborations.
E-commerce model
Fashion on demand
Sustainability
Diversity
Quality
Fashionable and eco-friendly apparel

Customer Relationships

Social networks
Website
Mobile App
CRM program

Channels

Platform and digital media channels for online customer acquisition

Graphic interaction
Mobile app and website
Retail and multibrand

Customer Segments

People aged 18-30
Young adults who are self-expressive and sophisticated.
LGBTQIAPK people
GenZ
Fashioner and influencers
Internet users with a passion for fashion.
Marketplaces: ASOS, Zalando, Amazon, Wallapop.
Designers

Cost Structure

Branding and Production
Operation Team and Salaries
Server and Software development
Marketing and Designer
Shipping and Transportation
Recycling and Advertising
Digital Marketing Specialist

Revenue Streams

Selling Articles

Designed by: The Business Model Foundry (www.businessmodelgeneration.com/canvas)

3. BUSINESS ENVIRONMENT

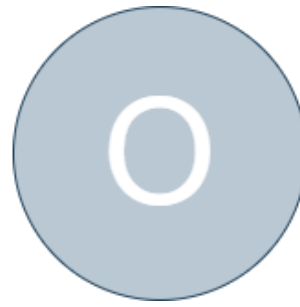
Launch of a clothing line will present many obstacles to overcome and challenges to face. We will have to think about everything from the business name to the marketing plan and production costs, and much more. We will be managing inventory, orders, shipping, invoices and communication with customers in order to grow the business by promoting and selling t-shirts online through various channels and platforms such as Facebook and Amazon. To do this we will use techniques and analyzes such as: Swot Analysis, Pestel analysis and Porter's 5 forces analysis.

3.1. SWOT analysis

SWOT analysis is an important tool for every e-Commerce who wants to find the best possible marketing strategy. With this type of analysis, it is possible identify opportunities and even predict threats in advance. Furthermore, the SWOT analysis is useful for discovering the strengths and weaknesses of the competitors and to adopt a strategy accordingly, in order to maximize the efforts and investments of a company.

The main objective of SWOT analysis is to find the right decisions, that is, to identify and implement the right strategies that help a business improve and successfully achieve its KPIs. Through the SWOT analysis we evaluate the pros and cons, the possibilities and obstacles to achieving our goals. We can then use SWOT analysis to make the most of what we have, for the benefit of our business. At the same time, we can reduce or control our chances of failure by understanding our shortcomings in advance and anticipating threats that would otherwise catch our off guard. Better yet, we can embark on a strategy that sets a business apart from its competitors, and thus successfully compete in our market share.

SWOT analysis is useful if done regularly, for example once a year. This allows our company to recognize in advance the changes within our business or the market, in order to adapt our strategy and looks like this:



Internal		External	
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Local and European partners • Exclusivity and cool product • Marketing • Active community, social networks • Organic and sustainable materials • Delivers nationwide • High exposure • After-sales assistance • Online structure: higher customer acquisition • Buy at any time (unlimited hours) • Savings on the costs of a physical and personal structure 	<ul style="list-style-type: none"> • New unknown brand • First investment without earnings • Inaccessible to a largest audience • Poorly optimized on-site SEO • Delivery time 	<ul style="list-style-type: none"> • Collaborations with other brands • Market niche • SEO focus can help drive a great amount of traffic • Attract a larger, wider, target audience • Performing mobile app • Growing demand online • Positive estimates on the evolution of the economy • Low creation costs • Large number of suppliers • Low barriers to entry 	<ul style="list-style-type: none"> • Concurrent non-performing website • High threat of substitute products • Economic instability (economic crisis)

To conclude, the SWOT matrix is very useful to have a Complete Overview that allows us to figure out which points to bet on, where to intervene, what elements to exploit and what Threats to Turn into Opportunities. Through the SWOT analysis together with the Pestel and Porter's 5 Forces Model will help us to determine our marketing policy.

3.2. Pestel analysis

PEST, PESTEL (also known as PESTLE) is an analysis that helps companies to define their surrounding space considering most of its characteristics, when making decisions about the launch of a new product or a new project, analyzing a series of factors whose initials give it its name: Political, Economic, Social, Technological, Ecological and Legal.

With the current coronavirus crisis, it is already showing its economic consequences and will cause a severe recession around the world, although the economic impact signals Spain as the developed country that will suffer the most this year, while China will be the only country that will be able to grow. These are the forecasts currently provided by the IMF (International Monetary Fund), which foresees a contraction of 12.8% of GDP in Spain, compared to the 11.2% forecast by the Spanish government.

This is more than four points higher than the decline in the entire euro zone, double what was expected in Germany and practically triples the contraction expected for the US and the world average. Italy could also experience a double-digit contraction, while China is expected to grow by just under 2 percent this year. For 2021, the IMF expects an economic recovery, even if the improvement will not be able to recover this year's declines. In the case of Spain, the rebound could reach 7.2% in 2021, the third highest in the developed world, behind 8.8% in China and 8.2% in India. The organization also warns that Spain will not recover the level of unemployment, that will remain this year and next at 16.8%, existed before the COVID-19 outbreak until 2026.

The fact that vaccinations have increased and infections have decreased, will help the world economy to gradually get back to normal or even become better. With the idea of opening a new post covid business we will analyse the PESTEL analysis as it includes the most relevant factors in general affairs. These factor that allow us to make decisions about the launch of a new product or a new project will be elaborated below:

P	E	S	T	E	L
Political: <ul style="list-style-type: none"> • No discrimination • Political relationship • Access to favourable Government policy, political stability, regional tax policy, Limited trade restrictions • Increasing political focus on healthcare • Import-export regulation/restrictions 	Economical: <ul style="list-style-type: none"> • Plan to international expansion • Rising sales • Profit increasing • Growth in quality, sustainability and high profitability • Increasing labour cost • Level of disposable income 	Sociological: <ul style="list-style-type: none"> • Young generations • Focus on a continuous updating of natural products • Develop social campaign to attract clients • Increasing attention in healthcare • Lifestyle 	Technological: <ul style="list-style-type: none"> • Online shop • Promoting environmentally - conscious transport • Promote energy efficiency • Focus on marketing solutions • Advertise on social media • Level of innovation • Internet infrastructure • Automation 	Environmental: <ul style="list-style-type: none"> • Product manufacturing • Use natural resources responsibly • Reduce, reuse, recycle standards • Plan to reduce emission • Support for renewable energy • Environmental policies 	Legal: <ul style="list-style-type: none"> • Being ethical is being honest • The employees are a key to the business's success • Provide fashion for conscious customers • Choose and reward responsible partners • Discrimination law • Consumer protection law • Employment law • Tax restrictions • Inflation costs

We can also investigate how online purchases are actually made by consumers. In terms of number of buyers, the most popular product categories in 2019 are clothing, footwear and accessories (59.2%), accommodation reservations and tourist packages (52.1%), tickets to shows and events (49.0%), transport tickets (45.3%), and food delivery (38.5%). Young women are the ones who make the most purchases within the sales category's majority. According to IAB Spain's 2019 Annual eCommerce Study, the E-Shopper profile is as masculine (52%) as it is feminine, with an average age of 41 and active on social networks. On average, it is bought online 3 times a month, with an expense of 64 euros, an amount slightly lower than last year. Convenience (97%), offers and variety of products (95%), as well as price (93%) are the main drivers of online shopping. This year, the drivers 'You can only buy it online' and 'Recommendation from friends / acquaintances', which increased by four percentage points. In fact, buying in stores that only sell online grows compared to 2018, (IAB Spain. 2019).

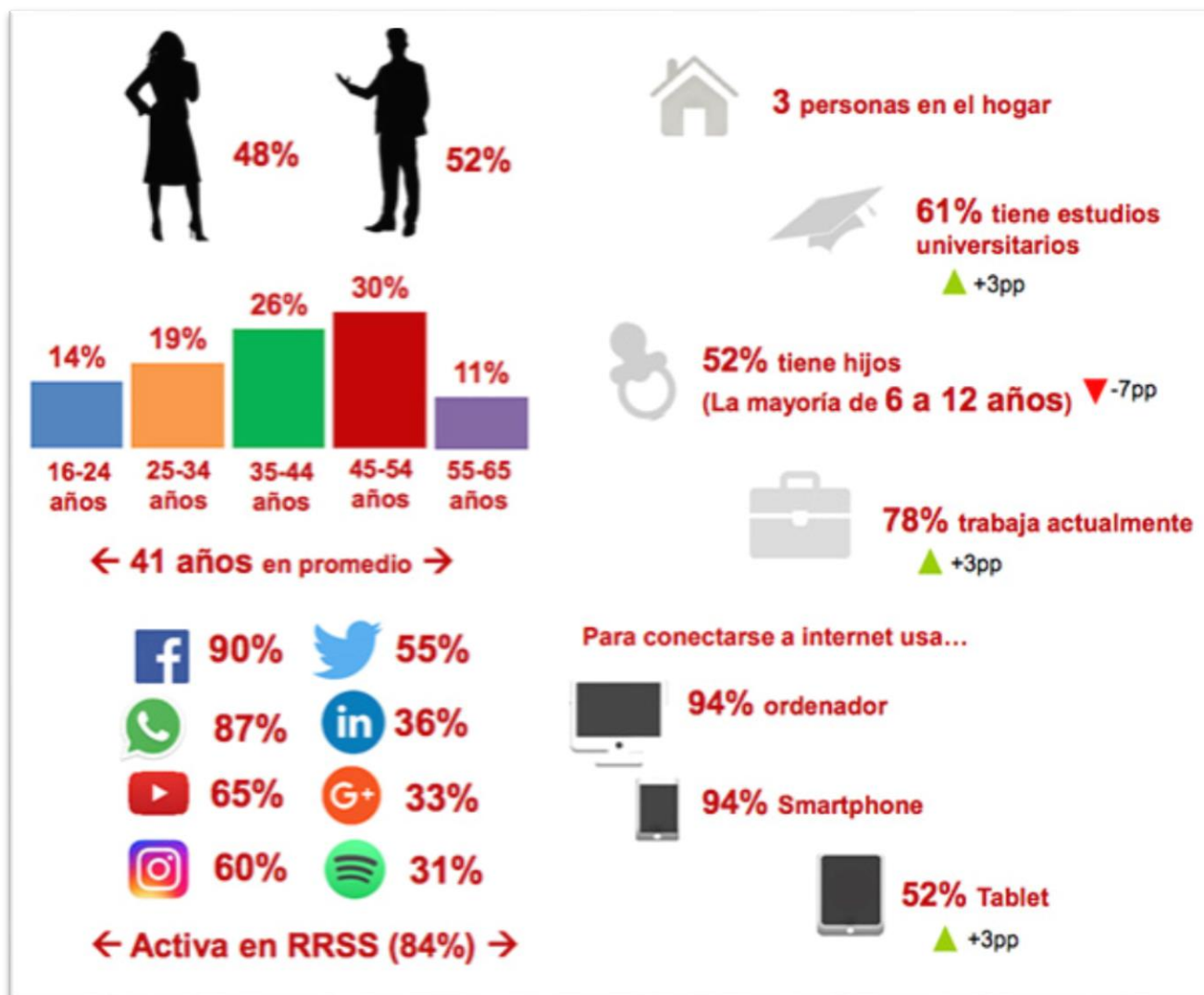


Figure 6. Profile of the online buyer in Spain. Source: Masquenegocio.com

The report also highlights those online shoppers use the brand's website (52%), friends / family (43%) and blogs / forums (38%) before buying to inform themselves. From there, more than half of the interviewees (55%) combine the online and offline channels, a percentage that according to the respondents themselves will increase significantly to 77%. The youngest are the ones who are most inclined to this combination of channels or the online channel.

The study indicates that 71% of users trust web pages, mainly thanks to two factors: a good previous experience, mentioned by 79% and thanks to the existence of secure payment methods, to which 74% refer of the participants. The purchase website (58%), the brand (56%), the good opinions of buyers (42%) and the online trust seal (35%) also convey trust.



Figure 7. Online buyer in Spain. Source: Masquenegocio.com

Regarding the use of devices for online shopping, although the computer continues to lead (85%), the smartphone grows and gains weight. In fact, in this edition it adds 8 percentage points, already reaching 53%, well ahead of the tablet (18%) and the SmartTV and the console (5%).

Online shoppers continue to purchase physical products and services to a greater extent; however, digital content alongside physical products have grown this year. Likewise, Entertainment / Culture (71%), Travel / Stays (69%) and Technology / Communication (62%) are the categories with the highest penetration in the last year.

3.3. Porter's 5 forces analysis

The Porter's 5 Forces Model is a smart analysis tool to define a detailed study and determine an adequate overture. Through these five forces it is possible to analyze the competition through competitive strategies. It serves to help the company develop a plan for its sector, structure and its profitability in the medium to long term. These factors help fuel the rivalry: the threat of new competitors, the power of suppliers, the power of buyers, and the threat of substitute products. The aim is also to gain a long-lasting competitive advantage and provides a framework for anticipating and influencing competition and industry profitability.

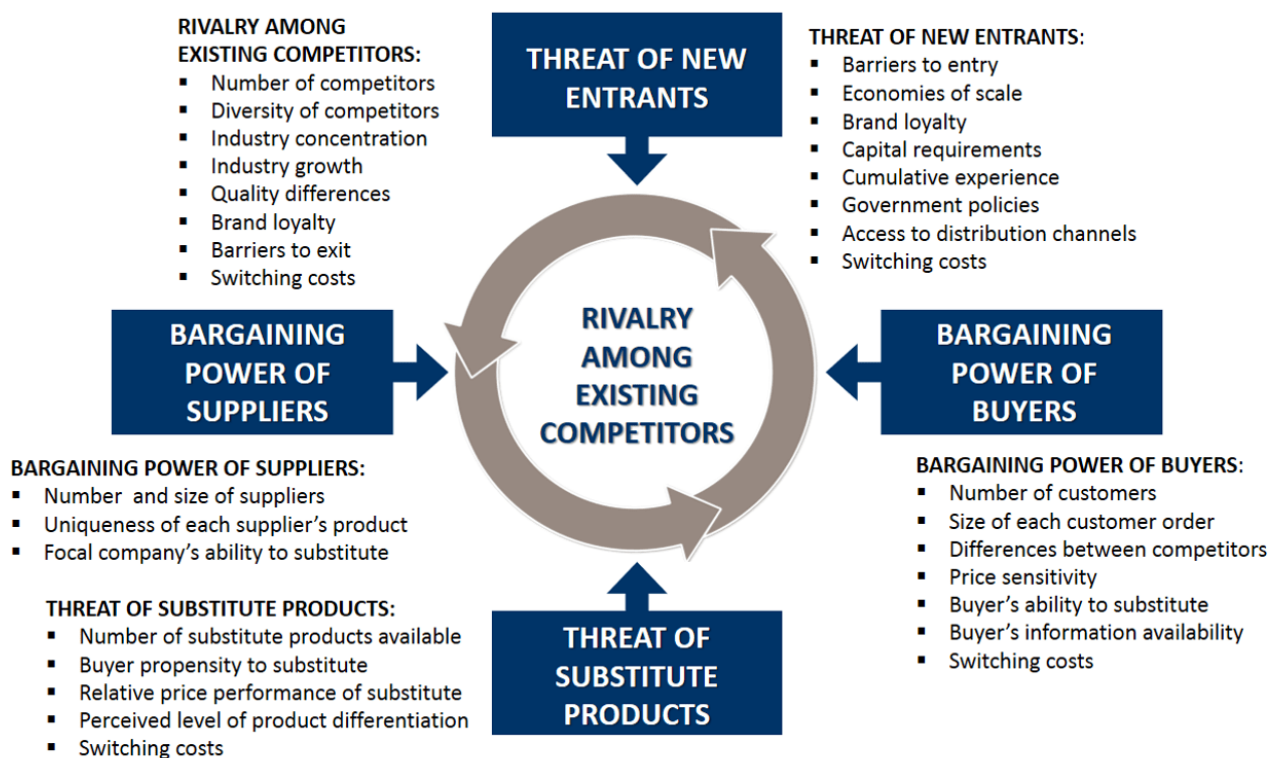


Figure 8. Porter's Five Forces Analysis. Source: business-to-you.com

3.3.1. Bargaining power of suppliers

The sector in which our company is located is clothing, mainly t-shirts with cool prints characterized by the peculiarity of being eco-friendly. The fashion industry could be considered to have low bargaining power with suppliers as the number of suppliers is usually high and anaplastic. Also, due to the Covid-19 pandemic, we believe that the bargaining power of suppliers has increased. What influences our choice of a supplier or other will be solely the attitude and agreements previously made to obtain the final product.

3.3.2. Threat of substitute products

Substitute products represent a major threat to the performance of companies in the apparel market. However, our company will initially only focus on offer of a particular product, eco-friendly t-shirts. Fashion changes constantly, which is why the average life of an item of clothing is very short. It is necessary to follow the trend of fashion, the choice of colors and the seasonal must in order to guarantee sales in step with the times by focusing on products with added value and this is our goal, produce a quality product thanks to eco-sustainability and attention to materials, destined to last longer, not like the most of the products offered by others companies. Nowadays more and more companies are implementing the quality of their products to offer a more competitive and attractive product at the same time, even if at the expense of human rights and producing in poor countries and this affects both, quality and above all humanity.

Here are the factors that affect this threat:

- Moderate/high availability of substitutes
- Weak-moderate value for money
- Low switching costs

The number of substitutes is moderate and therefore customers have significant purchasing alternatives. Switching to substitutes can also be facilitated by low switching costs, thereby increasing the ability to choose other products without incurring higher costs. Price is another important factor, as there are several brands in the local and international markets that make eco-friendly t-shirts at low prices. Although there is a lot of demand in the fashion field, we will offer a unique product with a value characterized by particular graphics but above all by ecological fabric. Nowadays there is a great possibility to buy products, online and in-store and therefore the threat of substitutes is moderate/high.

3.3.3. Bargaining power of buyers

In the case of the clothing sector, the following external factors influence the bargaining power of customers: low switching costs, moderate replacement availability and the small size of individual buyers. With low switching costs (switching costs or even so-called switching costs) it is easy for customers to decide whether to buy a t-shirt of a certain brand or choose another. The

alternatives to some products are moderate but still can lead the customer's purchase to another sellers. However, the small size of individual customers and their large number minimize their individual forces vis-à-vis companies. As a result, these external factors lead to the moderate bargaining power of customers.

3.3.4. Threat of new entrants

The threat of new entrants to this market can be considered medium/high. The investment to start this fashion business is not very large, but there are also other entry requirements that are not easy to meet. On the other hand, thanks to the continuous development of the fashion market on internet it is possible to eliminate the costs of physical structures, such as warehouses and rental shops, thus allowing us to start a low-cost business. Each new competitor would start its production initially locally. In addition to manufacturing, there is marketing, distribution and supply chain management which requires investment, time and skilled workers. Furthermore, economies of scale offer industry players with a competitive advantage over new competitors, considering their global manufacturing and distribution network. As a consequence of all this, the threat of new entrants is strong and significant.

3.3.5. Rivalry among existing competitors

The level of competition in the clothing segment, especially in t-shirts with prints, is strong. The main competitors are ASOS, H&M and the INDITEX group, and the number of the main ones is moderate, making the competition even more intense. All companies, both international and national and local, that offer T-shirts or products with similar characteristics are our competitors. Obviously, the fashion market is saturated, which is why these companies are engaged in a tough competition to grab market share by investing heavily in marketing. In this sector a large number of brands struggle to offer the latest fashion with a better quality and affordable price to improve and grow their market position, therefore based on the elements we have seen in the five forces analysis, the external factors that lead to strong competition require the company to focus on market and product development to ensure a competitive advantage and a growing share in the global market clothing.

4. OPERATIONS PLAN

To open the company first we will use an innovative SRL or SL with telematic procedure, we will have low expenses and the possibility to carry out constitutional procedures entirely online. You will have to meet the requirements of innovative startup and the practice will take a few weeks. The minimum share capital required is € 1.00 while the registration tax is € 200.00 so in total € 200 + generation costs, digital signature and a PEC mail.

4.1 Co-creation and collaboration

Collaborative innovation involves all company resources committed to creating value together with suppliers, customers and users, research institutions and any other stakeholder who shares the same objectives. The concept of co-creation is not new. Companies have always worked closely with their business interlocutors to face common challenges and create opportunities. Using this new business management model on open innovation, in which we collaborate with suppliers, partners, distributors and customers to generate value, is rapidly replacing the traditional thinking that has always considered innovation as an activity carried out by few employees or small groups of innovation experts.

We will use collaborations such as drop-shipping to create connections in such a way as to avoid a physical place like warehouse or office because we will work from home.

4.1.1 Drop-shipping

An excellent collaboration that includes one of the most popular sales models currently in the world of E-commerce is "Drop shipping". This type of E-commerce is widely used because it allows anyone to start an online sales business to sell products without having a shop or warehouse and the protagonists are three:

- **The seller**, who promotes and sells the goods through his own site or marketplaces
- **The supplier**, who is responsible for packing and shipping the products.
- **The customer**, who places the order from the seller.

Thus, avoiding physical structures allows us to avoid large investments for product stocks, for the management of the warehouse in which to store and for the annual inventory. Moreover,

it is much more comfortable to work from home with our PC and our own connection. In any case, if the turnover goes well, it could be decided to have an office in the future.

The first investments that should be made are:

1. The bureaucratic cost for starting our business
2. Registration at the competent offices.
3. Then we have to open a VAT number.

To these costs (in total almost € 1,500) we will add those of the business plan and the accountant who will take care of telematic communications.

For our e-commerce in drop-shipping it may be necessary to purchase a hosting for the website, and a management software (to manage costs and revenues). Furthermore, a valid alternative would be to rely on marketplaces such as ASOS, Zalando, which is the main purpose, at least initially. However, it must be taken into account that among the costs we must add the commission on online sales that the platforms retain.

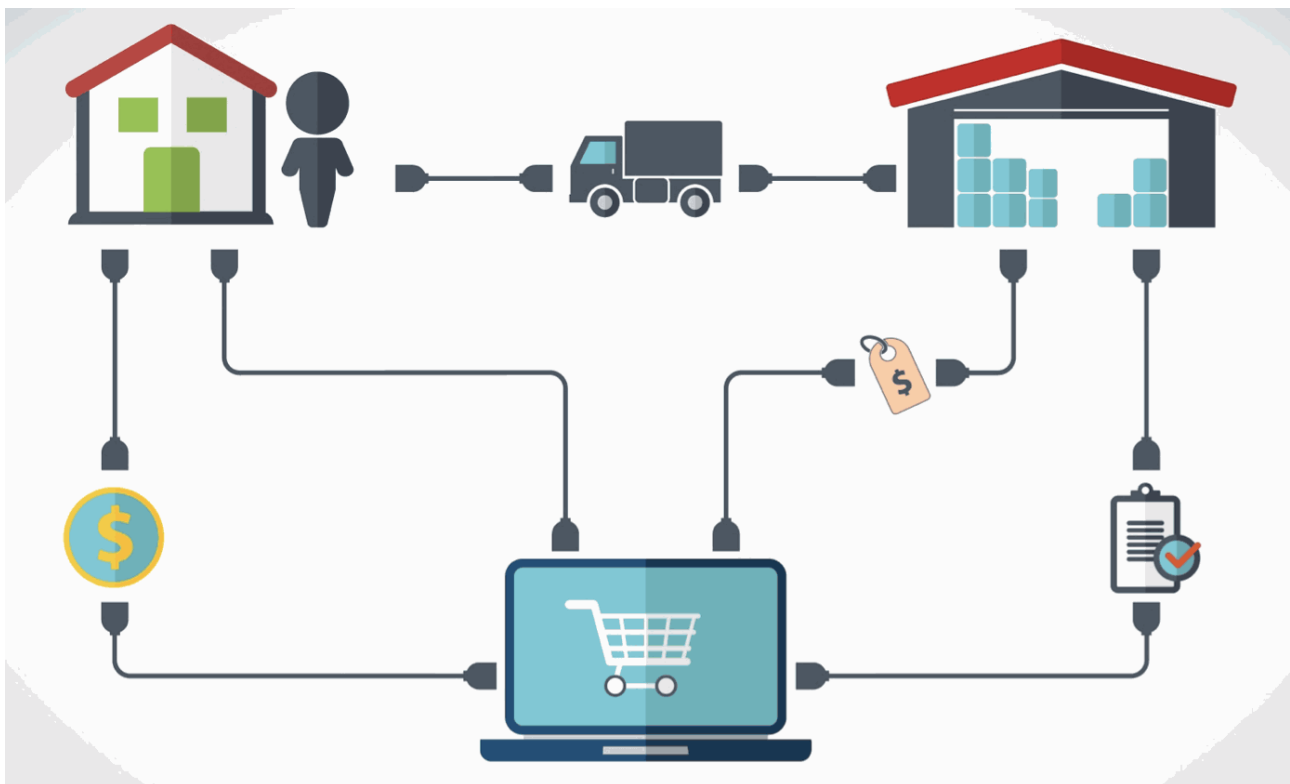


Figure 9. Drop Shipping. Source: esic.edu

Having a drop shipping supplier will allow us to save money. The reason is simple as we do not need to store the goods in any physical warehouse, and we will have no initial expense to purchase the goods. All that we will pay is exclusively for a purchase already received through the website. What we can focus on is the optimization of marketing, product sheets and the relationship with prospects and customers. So, thanks to Drop-shipping we will have the opportunity to sell any type of product without having a physical store, in this case (at least initially) starting with T-Shirts and having several suppliers located anywhere in the world.

In the fashion sector it has an excellent response on the market and also has large profit margins and it will be possible to earn high sums. Obviously, starting to sell online without spending huge capital to invest in product stocks will be a great start. It will be necessary to monitor the market and know the reactions to the product launch and directly manage the online communication of the product, obtaining customer acquisition and loyalty and thus creating a small community of loyal customers. It is also possible to sell globally because there are many suppliers offering warehousing and order fulfillment around the world.

The hard part will be setting up an online drop-shipping business and getting it up and running. It will be necessary:

- Building the platform
- Organize the online catalog and update it in time
- Follow the online sale of products
- Manage customer care, or manage customer problems and resolve any returns or problems related to lost goods
- Always have your income and expenses, billing and tax expenses under control, perhaps even relying on an accountant.

What we need to get started is a desk, printer and telephone, a computer and an internet connection for a total of approximately € 6.500,00. Important requirements for starting and maintaining a business.

4.2. Design T-shirts and the prices

This creative process it's the important part of the business, designs will be the main selling point when we'll start to selling t-shirts, and that's how we will make money.

We should make sure that t-shirts are:

- Distinct from those competitors sell online
- Feature a design that's easy to print
- Memorable and attractive

With these intentions, the company (**S C L N**) have already formed a team of artists and graphic designers, all friends and Italians, ready to help with this undertaking. By designing, painting and creating creative and attractive prints with the use of phrases or keywords for our t-shirts. These will give to customers an idea of the style, and help inspire their own orders.

We will create our new brand with logo and label that maybe it will look like this:



Figure 10. SCLN label and Logo. Source: own idea.

With a specific slogan that leaves no imagination "The future is now". A simple slogan but that simplifies the whole idea of the project on the awareness of one of the great problems we are facing, the pollution of the fashion industry and the need to really start recycling and reusing the materials previously produced.

Through this connection we will avoid CO₂ emissions by eliminating some unnecessary shipments, we will save time and money. So basically, we will not be the ones to create the t-shirts entirely but we will create prints and figures, we will choose suppliers who offer us quality t-shirts with natural materials, and who prints us on them. We will contact our suppliers to view the different types of t-shirts and choose the ones that will be most appropriate for our design. From shape to length, as we will focus on a unisex-model we will start from size XS to XL with an oversize or/and regular fit.

Thanks to a careful analysis and tests of the various fabrics and prints we will be able together with the supplier to be in charge of controlling the manufacture and weaving of the product, the printing and screen-printing process, and ensuring that the final product has the quality and excellence we want.



Figure 11. Some of our t-shirt. Source: Own creation

Here 3 of our t-shirts of our collection which will initially consist of 10/20 precious graphics creations that will be printed in our t-shirts. After this choice and the decision-making process relating to the prints on the t-shirts (such as the colors and the area where the design will be screen-printed on the shirt), the supplier will start with the screen-printing process and subsequent shipment.

We will use the Direct Digital Printing (sublimation printing) of which Epson has certified the entire production process with Oeko-Tex Certification, this means that both during the printing phase, and during the drying phase in the thermo-press, we do not go to produce and therefore to inhale any toxic and carcinogenic substances, and we are in full respect of the environment and our health. We will make sure we work with suppliers who can print but above all who also respect waste. It will in fact be essential that they recycle or give to collection services to be able to refill the ink toners and put them back on the market.

The costs for a small production could be from 8 to 10 €, the cost of a production of 20 T-shirts with two-color screen printing from 3 to 5 €. If instead we wanted to buy the printer ourselves, and therefore take care of a part of the manufacture of our t-shirts, the cost of this printer would be between € 200 and € 700, but at least initially we will subordinate the work to suppliers or a printer. As for the selling cost, since we will have two types of printing it could range

from € 34.99 up to €49.99 and we choose to enter 99 cents because the human mind tends to give greater weight to the left digit, so much so that this pricing technique is called left digit, which means that for example 7 Euros and 99 cents (which in practice corresponds to 8 Euros) will be remembered by the human mind as 7 Euros and something but not 8.

4.3. Crow-funding

To open our company and start being active and performative we would need about € 11,500.00 (indicative). A great way to open a start-up is the crow-founding platform which is a good form of financing to start doing business through the use of the web.

There are different types of crowd-funding, designed to make the experience easier and better finance our project, models that also adapt to the specific tax and economic legislation in force in the various countries:

- **Reward**

This model provides a reward / reward established by the donor for the investor who makes a donation; this can be commensurate with the contribution or even of symbolic value, that is lower than the donation. For example, it can be an economic return in the form of a sum of money or in the cd. "pre-selling" of the product / service that has been chosen to finance, which can be obtained before its actual implementation on the market.

- **Donation**

In this type, the investor / financier of the idea or project makes a cash donation without receiving anything in return. This scheme is particularly suitable for financing initiatives of a social and civil nature, for example those promulgated by non-profit initiatives, bodies with a social purpose and other associations that encourage the company to collaborate with a charitable and philanthropic intent.

- **Lending**

This model allows the collection of money through a web platform which will then go to disburse the funds in the form of a loan, for financial consideration, to a wide range of borrowers. In essence, the platform manages requests for financing by searching for subjects willing to participate in the disbursement of this in favor of the applicant, receiving in exchange a return on the capital in the form of interest. As this is a credit brokerage rule, the activity is subject to credit regulations and bank supervision.

- **Equity**

This type allows investors, against the loan, to obtain participation in the financial structure of the financed company. In essence, the investor obtains equity instruments in the risk capital of the financed project (for example shares of S.r.l. or shares of S.p.a.) with the ensuing set of property and administrative rights.

For example, we could use the - **REWARD** by giving away one of our t-shirts, a great way to reach our first customers who could become our "influencers". Depending on the amount we could give away an accessory or a gadget, (products that we would like to integrate in the future, such as hats, socks). Or we could leave free to donate simply a sum through - **DONATION**, so without receiving anything in return, after all our company policy deals with the social and the civil. - **LEADING** and - **EQUITY** are currently excluded.

4.4. Open a website

An e-commerce offers everything we want and can want for a physical shop. Thanks to the possibilities offered by the network, it is possible to have a practically infinite number of potential customers, opening costs reduced to a minimum, great flexibility in the organization of work and, by choosing to work in drop-shipping, the zeroing of warehouse costs.

First, we need to rent a hosting. A hosting is the rental of a space on the web where you can upload the files of our website. This space is provided by web hosts, who make their servers available (exactly they are computers). If such a computer where our site runs does not perform very well the site will be slow to load the pages. Similarly, if our hosting has good performance, but the space is shared among many websites, the performance will not, of course, be the same as a dedicated space. To give an example a performance hosting has a cost that goes from 99€ up, but we know also that exist excellent online solutions to open a website for free like: Flazio, Wix, Jimdo, Squarespace and Weebly that are platforms that allows us to open a website and manage publications through a CMS, in a user-friendly way and without having to know a line of code. It's possible to open a free website but with the main functions, to have a website and a 100% functional e-commerce we will choose one of the platforms by analyzing the best prices and services included.

Next, we will choose a modern layout, with images in line with our eco-sustainable ideals, the elements will be natural elements such as plants, wood and stone. It will be a warm and comfortable environment, an excellent showcase for our natural products.

So, all we have to do is choose one of those competitors that is the cheapest but also the most complete and performing, such as FLAZIO. We will need to choose the domain name, the URL address through which it will be reachable online that will be www.SCLN.com. A domain .com is a good solution for multilingual websites that want to increase visibility in the world.

Our e-commerce website must have the following features:

- Responsive design: that is, it fits everyone on all screens for both mobile and desktop devices.
- Privacy Policy and Cookie policy in accordance with: that is, compliance with the processing of sensitive data for those who access the website, according to the guidelines of the GDPR.
- SSL certificate: that is the certificate that gives the website security and reliability.
- Performance: the loading speed of a web page, to date, is the feature that makes the difference. The time spent by the average user on a website has been reduced a lot. If a website takes more than 7 seconds to display it, you will have a good chance of missing the user's visit.
- Dynamic section: no more time for showcase sites. Once, having your own website online was a source of pride to stand out.

Today more is expected from one's website. This is why it is essential to have a section (such as a blog, in this case we will use Instagram) used for news, articles and content to entertain our market niche. In this section we could access, via login, an administration panel to edit and publish in complete autonomy. Using FLAZIO we are already able, already with a derisory sum of 99,00 € per year to have our own showcase on the internet and a performing e-commerce to start selling with our virtual store.

Prices and services of the most famous platforms to create sites and e-commerce in comparison:

	FLAZIO	WIX	JIMDO	SQUARESPACE	WEEBLY
Domain	Included	Included for the first year	Included for the first year	Included for the first year	Included for the first year
Mail	5 inboxes included with 5gb of space each	To be purchased separately through G Suite	Not included: additional cost of 12 euros each	To be purchased separately through G Suite	To be purchased separately through G Suite
Hosting	Unlimited	500mb to 20gb from eCommerce package (from €194)	5GB to unlimited but only in unlimited package (from €468)	Unlimited	Unlimited
Bandwidth	Unlimited	1 gb to unlimited from unlimited package (from 149€)	10 gb to unlimited (in the Unlimited package from 468€)	Unlimited	Unlimited
SsL Certificate	Included	Included	Included	Included	Included
Server	Google	Undeclared	Undeclared	Undeclared	Undeclared
Multilingual	Machine translation	machine translation	Without machine translation	Without machine translation	Without machine translation
E-commerce	Unlimited and no Commissions	Included with eCommerce package (from €194)	Included with eCommerce package (from €228)	Included in the Business package (from 208€) with 3% of issues	Unlimited and fee-free only in the Business package (from €276)
Assistance	By phone chat and email	By mail	Email with reply within one hour in the Unlimited package	Via email e-chat	By phone, chat and email
HERE'S	Advanced SEO Panel	Advanced SEO Panel	Advanced SEO Panel	Advanced SEO Panel	Advanced SEO Panel
Statistics	Advanced	Advanced	Advanced	Advanced	Advanced
Back Up	Included	Included	Included	Included	Included
Prices	99€ / Year cluding VAT	Connect Domain: 49€ Combo: 99€ Unlimited: 149€ eCommerce: 194€ VIP: 294€ excluding VAT	JimdoPro: 108€ JimdoGrow: 180€ JimdoBusiness: 228€ JimdoUnlimited: 468€ excluding VAT	Personal 132€ Business 204€ E-commerce Basic 288€ E-commerce Advanced 432€ excluding VAT	Connect: 48€ Starter: 84€ Pro: 132€ Business: 276€ Performance: 396€ excluding VAT

Figure 12. Better choice. Source: own scheme.

4.4.1. Sell online

What we want first of all is to create a digital shopping experience, in addition to the sales one, that can interest and share with the customer the climate problem we are facing, asking them to participate, to know and share. It's necessary to conceive the sales platforms of our website as a real store so investing, embellishing it with flowers and paintings, allowing the user to spend quality time on our website.

Through our website, at least initially the type of e-commerce we want to start is aimed at a private audience, so the products will be destined for the B2C market. If the company were to earn and be successful, the next step would be to enter marketplaces with a B2B such as ASOS which fully reflects our ideals, starting from the inclusiveness of the forms to respect for the environment.

The amount of e-commerce on the Internet is growing exponentially and to be competitive in online business, you will need to turn to experienced developers. Thousands of e-commerce sites are developed every year. Some manage to emerge, but others fail before the age of five. In order for the investment to make sense, the site will need to have some characteristics:

- a short domain name;
- a quality web hosting;
- attractive graphics;
- safe shopping cart;
- responsive design.

In order to land customers on our site, we need to plan to start some activities to attract visitors to the website. In the world of e-commerce, competition is very high and a budget must be established to invest in promotion. In addition to the website, you can use social networks such as Instagram and Facebook both to advertise the brand, sponsor the products but above all to sell them.

4.4.2. Marketplaces

One of our main goals will be to enter the most famous clothing marketplaces in the world, such as Zalando, ASOS, AliExpress, Amazon. Initially we will strive to get the chance to sell our prodigies on ASOS which has become the leading online platform for independent brands and vintage boutiques. What makes ASOS perfect for our company is its range of products (completely different from that offered by other fashion brands) that ranges from vintage sportswear from the 90s to new models of international boutiques and handmade hand-made jewelry. All this for a precise choice of the company, which wants to work especially with small brands, which is for us, which allows it to react to new trends often before the big high-level names, and therefore more easily attract customers who are looking for something authentic, who cannot find elsewhere.

ASOS gives the opportunity to sell the clothes for free, with a 10% commission to be paid on the cash. To start doing business on ASOS Marketplace we need just take a photo of the item to sell, add a short description and stable the price, including shipping. To sell on ASOS successfully and profitably it is necessary that we follow fundamental rules that are:

1. the platform is open only to up-and-coming boutiques or stylists;
2. to see our articles published on the site it is necessary that the photos are street style and not taken by a mannequin;
3. interaction with customers on social media is an important part of the our strategy, for this reason it's possible also access the site through the Facebook account, while all payments pass only through the PayPal or ATM platform.
4. all products on sale must be original, as the marketplace has a very strict policy on counterfeiting;
5. to become a boutique, you have to sell your own collection or a real vintage collection;
6. you can start with a minimum of five articles, although listing more offers better visibility on the site;
7. high-level customer service is required, so the time it takes the seller to handle user requests is calculated in order to maintain a high level of feedback for the entire platform.

Selling on ASOS allows us to reach a huge audience globally, mostly made up of twenty fashion lovers which turns out to be this is a great reason for our company since it is our customer target.

4.5. Packaging

One of our strengths will also be the use of eco-sustainable and biodegradable packaging. There are many solutions and they all lead to the path of low environmental impact. Sustainable packaging is a type of product packaging that, over time, reduces its environmental impact. To make the packaging sustainable, we will choose to use vegetable like paper or recycled materials like plastic. It is also possible to focus on a minimized production process, which implies a lower carbon footprint. Finally, we can play on reusability, thus extending the life cycle of the wrapper / box / brick.

By opting for sustainable solutions, transmits that we are a green brand to the consumer. On the other hand, packaging has a considerable importance not only with regard to the preservation of products, but in recent years also with regard to the environmental issue. Modern packaging must be safe, practical and aesthetically appealing.

Assuming that if we work with ASOS, they keep their own plastic packaging that can be recycled and reused for return. Since we will use drop-shipping, it will not be us who officially manage the shipments but our supplier, so if he does not offer us an economic and ecological solution, we should choose the type of packaging that best suits us. Below is an economic and ecological proposal as well as recyclable as it is made of paper. We will buy on the website **packhelp.com** our packaging in two sizes that will be 35x45 and 40x50 for 120 units each the total will be € 378.00.



Y80 35 x 45 cm	Y90 40 x 50 cm
Expandable Kraft	Expandable Kraft
Mailer	Mailer
120 pieces	120 pieces
€1.55/ a piece	€1.55/ a piece
Total €154.00	Total €189.00



Figure 13. Packaging models. Source: packhelp.com

In addition, the web page gives us the opportunity to add our logo on the packaging and to donate 3 euros to plant 3 trees to make our order forest positive and earn an eco-badge, an initiative that we can also promote on our site and that fully embraces our ideals.

The environment has become a real driver of choice, there is no doubt about this. This therefore leads to an aware consumer who pays attention to the environment and believes that purchasing decisions must take into account the packaging to protect the environment.

4.6. Shipping and returns

Customers can be dissatisfied with the items they purchase for many reasons: perhaps they arrived with some defect or damage, they ordered the wrong size or simply did not meet their expectations due to the quality or fit. For this they can ask for a replacement or a refund which can be seen as an unwanted aspect of ecommerce, but in reality it can turn into a great opportunity that generates new profits and increases our customer loyalty. So, to better build our business we need to put into practice a return and refund policy which is an agreement with which we inform our customers about our return and refund policies, therefore also how many days they have to return a product.

An ineffective return system can negatively affect the overall reputation of the company. If negative opinions about the shopping experience begin to spread online, it is likely to have a drop in the conversion rate. On the other hand, processing each return manually and dealing with customers on a case-by-case basis would be expensive for our company and tiring for customer service employees. If the time and expense of an exchange or return process is not monitored and optimized, it can even prevent us from expanding our business.

An exchange or return isn't profitable on the first purchase, but a better customer experience is likely to lead to a higher retention rate and, in the long run, an increase in revenue.

If a customer wants a return, they are reporting that the product did not meet their expectations for one reason or another and want a refund. A change, on the other hand, means that the customer was satisfied with the quality of the product and the shopping experience, but chose the wrong item. It is important to create a system to immediately distinguish which of the two categories the customer falls into, so that you know how to process their request. The customer must know if he can return or exchange the product before purchasing it, and this must be clearly stated on our website in the return policy page.

While working and making a return with ASOS is very simple: clients can return the purchase for free via the Post Office or Lockers, and from affiliated shops. There's no need to contact ASOS before returning anything. ASOS ask to return the item within 45 days from the date of delivery of the order (or from when it was available for collection).

According to UPS, 68% of buyers check a website's exchange and return policy before making a purchase. That's why many brands now advertise "free", "easy", "hassle-free" returns and exchanges to increase conversion rates and purchases.

4.7. Customer satisfaction

The customer who buys on a web platform wants to receive the same treatment that he would have in store, such as a dedicated figure to ask for information or a platform that saves his profile and remembers previous orders and various purchase preferences. Everything must be aimed, in fact, at the complete satisfaction of the customer and his return to the portal.

We must also be careful since it is enough to disappoint once the level of service that we have promised the customer, and we will have let him down forever. For this reason, it's essential to maintain constant levels of quality, without ever missing a beat. We need to focus on customer communication. Provide him with information about the delivery of our product, then inform him about the progress of the delivery, assign him a person who can contact for assistance, show him the progress of the product we are manufacturing for him. What can also distinguish us from competition. With modern technologies that are now available to the general public, it has become much easier than in the last time to keep in touch with the customer, by email or web or by text message: just equip yourself with a CRM marketing software to be able to create newsletters and surveys.

What matters is the ease of contact with the customer and this applies in one way and another. On the one hand we must be able to contact the customer quickly and easily when needed and therefore it is essential to get a customer contact. On the other hand, the customer must be able to reach us easily. Here too, modern technologies help a lot: for example, we may have an email dedicated to customer requests or we may opt to respond to our customers on Facebook or Instagram.

The important thing is to be punctual and friendly in the relationship with the customer: receiving a response to your message or email in 30 minutes - 1 hour is very different from receiving a response the next day, we appreciate when it happens to us and our customers will appreciate the prompt response.

In addition, in order to increase traffic on our website and to know if our customers are actually satisfied with the service and our product it may be useful to contact buyers in the after-sales phase, perhaps through a simple email, asking them what the experience was like on our platform. In addition to receiving any advice, this also allows us to give importance to the customer's opinion, making him feel important and therefore retaining him, waiting for his/her return.

5. ORGANIZATION OF HUMAN CAPITAL

At S C L N, we believe in the potential that each of us has, we need to feed it day by day, look after it and grow it. What we want is to convey our ideals, inspire and motivate people. In the future we will select and manage a team of up to 3-4 people who already have a knowledge base, the skills and aptitudes appropriate for this purpose and a lot of desire to work. With this objective in mind, we will determine, for each department, the different categories, the work to be carried out, their functions, the knowledge that must be had to develop this activity, its remuneration.

With the ability to manage a company from your personal computer you can save a lot of time but above all also on human capital. In this way, therefore, it will be better to create collaborations with freelancers such as web designers, graphic designers, councilors. In this way, lowering costs to a minimum, with the hope of hiring at least one or two workers after a year and create a strong team, earning and having an influx of sales that allow them to emerge and be successful.

The importance of involvement starts from the observation that nowadays people, and this is even more true for millennials, are not motivated so much or mainly by the economic factor as by the fact that they have objectives and can enjoy a certain autonomy in pursuing them, from opportunities for growth and development of skills, but also from the prospect of working in flexible contexts, receive recognition for your work and gain visibility inside and outside. What we want is to increase productivity, but also worker satisfaction and we will aim to be seen as 'great place to work' with the following characteristics:

- first of all, constantly listen to the feedback of the workforce and the critical issues that are highlighted in order to intervene promptly
- have leaders who can inspire and develop talent
- make workers feel that they have a purpose and recognize their work
- ensure a good degree of flexibility and autonomy
- allow people to express their creativity
- studies skills development and professional growth paths.

Beyond the tools used to communicate this image outwards, when they are motivated and satisfied, the most credible ambassadors of these messages to the outside world are certainly the employees.

For this reason, especially nowadays and after the current Covid-19 pandemic, it has become a necessity to redesign work environments and processes with a view to simplification in order to increase productivity and satisfaction allowing people to focus on activities that really bring added value. Our work environment will be completely online and will give the employee to be autonomous with the various tasks assigned. The working day will be divided into two meetings, one in the morning and one in the afternoon, characterized by a positive attitude and a spirit of team play.

As we have already said, at least initially we will work with freelancers but over time we will need and need a highly trained staff structure and we will make use of a **functional organization** that will allow us to understand and visualize how our company is organized, what structure it has, what functions it is composed of, what are the areas within it that allow it to respond to the market, what are the relationships between the areas and between the collaborators of the company itself.

Initially we will have the marketing and design department, production and sales department and administration and customer service department, while later we could choose to manage the organization differently and introduce new figures that will help us in the sales process.

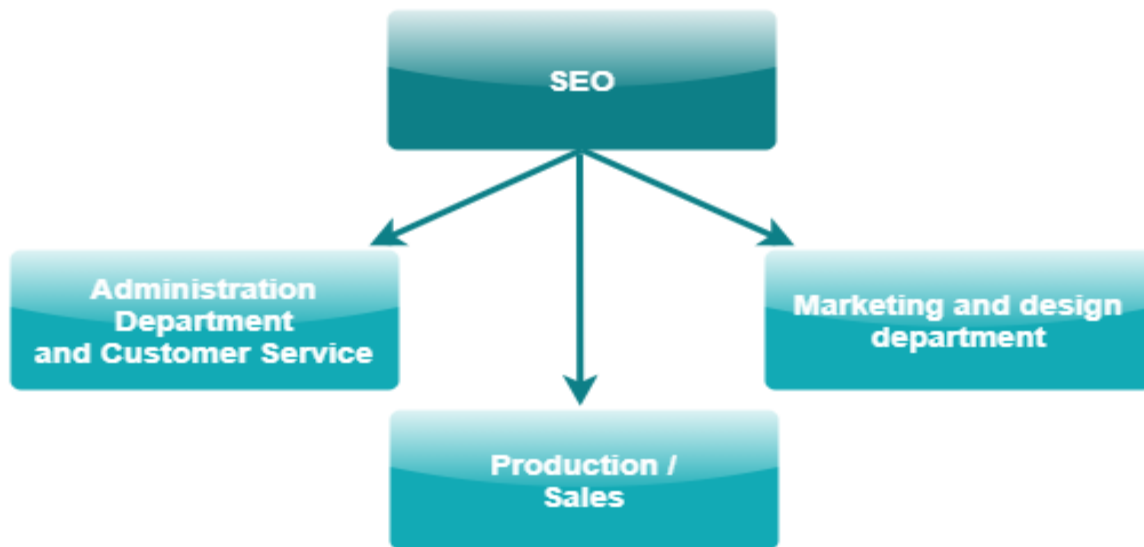


Figure 14. Hierarchical business organization chart of our business. Source: own graphic.

This planning consists in finding the ideal candidates to face the tasks daily necessary for the functioning of our company.

And to do this we need to start a selection of staff because the work is expected to increase and when it happens, we will turn to the market to look for the right person and to do it at our best, we will need a good job description. The job description will consist of:

- title of position;
- role-playing mission;
- tasks that he will have to perform;
- skills, the description of what the new collaborator must know in order to carry out the planned activities well.

The second step in our recruitment process is the recruitment of candidates. It is important to involve a good number of candidates at this stage, in order to be able to select the most valid. First of all, we will have to choose the right channel for our research, in relation to different factors (type of people you want to reach, geographical area, etc.). The most used tool for this selection step is undoubtedly the internet. The recruiting phase can in turn be divided into three moments:

- CV collection (through online ads or other methods)
- screening of candidates (first skimming carried out on the basis of an analysis of the CV in relation to the requirements of the job description)
- convocation for a first interview (preferably online)

Once when we made the decision of who, what, when and where. We will establish a remuneration based on the job that our worker will perform. The hiring process will be simple as each selected candidate will become a hired employee, although he will have a probational period in which he will have to prove that he or she is the right person for the position. If he does his job satisfactorily, he will join our permanent staff. In addition, people who demonstrate a positive evolution in their position through the correct fulfillment of their obligations and contribute to business growth, will be rewarded. This reward can be given through a salary increase, a bonus, new responsibilities, or a promotion in our company's organization chart. As far as the salaries of individual workers are concerned, we will discuss this in the financial plan. As previously mentioned at least for the first year we will use freelancers who will pay for occasional performance.

6. MARKETING PLAN

Building a successful brand requires strategic thinking. The customer does not evaluate through all the necessary parameters the product at the time of purchase, precisely for this reason it is necessary to use a psychological approach, which creates the belief in the mind of consumers of constant and absolute quality of the product. Once the customer develops brand loyalty, does not need to evaluate the actual from time-to-time quality of the garment, therefore it saves in terms of time, and at the same time, it is mentally satisfied, because he is convinced every time to buy a good of guaranteed quality and that depends all on the image we give to marketing.

Marketing typically relates to product decisions: characteristics and image, sales price, distribution channels, promotional and advertising actions, sales network. Marketing covers all decisions through which the company develops, communicates and makes its value offer available to customers.

6.1. Marketing mix

According to the classic 4P model conceived by McCarthy, the fundamental levers of the marketing mix are: product (Product), price (Price), point of sale or, more generally, distribution (Place) and promotion or, more generally, commercial communication. (Promotion).

The choice of the optimal combination of marketing factors mainly depends on the positioning strategy of our company and the characteristics of the target market (consumer propensity to purchase, direct and indirect competitors, stage of the product life cycle).

6.1.1. Product

One of the fundamental elements of our company is the product, it will be necessary and fundamental for our success and growth.

It is not easy to manage the product as it is a dynamic element of the marketing mix, with the changing needs of consumers, the differentiation induced by competition between companies, the new opportunities offered by technology and other factors related to the ratio product of product/ market such as changes in the distribution structure. Naturally, product management is completed by evaluating its contribution to the company's profitability both in absolute terms and in relation to the contribution of other company products. Sales data, price, margin are measures of the product's ability to keep up with the times. As we have already seen, our product, in addition to being in full respect of the surrounding environment and the rights of those who work on it, has unique characteristics such as organic fabric and artistic prints that will be eluded by our graphic design team. And as the market changes, we will change the product as needed.

6.1.2. Price

Price also has constraints and opportunities just like other marketing factors; its ability to help optimize changes in the marketing mix with respect to the type of products handled, the position of our company in the distribution channel, the competitive situation, the position in the life cycle. In fixing the price, however, it is necessary to take into account some factors that limit the possibility of freely deciding the price level. The total costs of production or purchase are the lower limit; while the upper limit is given by the elasticity of the demand curve.

Obviously we cannot know the demand curve and therefore we are unable to determine the most convenient upper limit for the objective pursued. The demand curve also has an impact

on costs because the unit cost of a product depends, for the part of the total cost due to fixed costs, on the units produced. The choice of a higher price allows to produce a greater unit contribution margin, the difference between revenue and variable cost, but limits the quantity sold; therefore, not necessarily higher prices provide higher total margins. In this case we will compare ourselves with some competing brands such as Stüssy, Vans and we will try to approach or align ourselves with their prices.

6.1.3. Promotion

Ours will be completely transparent and will convey our ecological, recycling ideals and we will be promoters of change for a better future. We will promote our product through the web: our website and various social networks, also thanks to the crowdfunding campaign will already allow us to have a part of the public before we start selling and we will feed the brand image. A valuable brand image guarantees quality to the customer, making them satisfied with the purchase carried out, giving it a perception of high quality. Furthermore, the limited distribution of products can be one more tool to be exploited in branding, to symbolize and establish a feeling of uniqueness, which makes the brand a status symbol by enhancing the ego of the consumer. Branding helps develop the consumer's commitment to the brand and the other way around; once that "feeling" of loyalty is ingrained in the customer, he will affect the subsequent purchase considering the quality of the brand established. For these reasons it is important to build a "strong" brand image that is easy to do recognizable, and associated with values that are positive in the lifestyle and mentality of target customers. Above all, we will promote recycling with the first collection that will make it seem like a campaign to raise awareness and promote our product. In addition, when sending an old garment, we will provide a discount when buying a new garment, we will ship and pick up the used garment. These strategies meet ecology and so packaging also assumes an ethical role, since in the design of a package green needs must also be considered, meeting the expectations of a consumer aware and interested in the future of the planet.

6.1.4. Distribution

Our store will be completely online through the website, where clients can make the purchase of our products and then the confirmation of the order will be made by e-mail where an order number will be provided through which the clients can follow the status of the shipment and see where the purchase is located. Our distribution, at least initially, will be in drop-shipping. The

distributor will take care of the clients order starting from the printing on fabric to the shipment, with our packaging, to the customer with a production time scheduled for our product of up to one week and with shipping times from 3 to 6 days worldwide.

6.2. Digital Marketing

Digital marketing is based on 4F (flow, functionality, feedback and loyalty) are the variables that make up an effective marketing strategy:

1. Visibility and attraction of traffic: SEO and SEM tools, marketing of content (blog), social network presence, viral marketing
2. Converting traffic to customers: Web design, usability.
3. Customer loyalty: newsletters, loyalty cards, special discounts, customer service, email marketing.

Our company will mainly deal with Digital marketing, which includes all the marketing activities conducted by our company through the use of digital tools and channels, often in synergy with the other traditional marketing tools to create an integrated, personalized and interactive communication able to help the company to develop and retain our customers more. The main tools of digital marketing include: digital advertising (mainly, display advertising and search advertising), SEO (search engine optimization) and SEM (Search Engine Marketing), email marketing, affiliation program, referrals, web partnerships (sponsorship, co-marketing and co-branding), product placement, etc.

In essence, digital marketing combines the fundamentals of traditional marketing with the unique characteristics of the Internet, helping to establish a more solid and lasting relationship with customers. The relationship with the consumer, in particular, makes use of some distinctive features made possible by network infrastructures and technologies:

1. The communication is aimed at a selected audience of consumers where the consumer is no longer a passive user but an active and interactive player in the purchasing process, capable of influencing the purchase decisions of other consumers.
2. The second is the personalization of communication: we can differentiate our marketing offer according to the specific needs of the consumer, using the information collected

through the Web or extracted from the company database, or data warehouse, CRM, which collects the profiles of individuals customers and their purchase histories.

3. The third characteristic is the interactivity of the communication process: the recipient is induced to express a precise behavioral response. By giving an active role to the user in the communication process, it will facilitate us in the task of identifying the needs and desires of consumers and, consequently, in promoting products or services suitable to satisfy them.

Thanks to the internet, therefore, the consumer can not only decide the contents and methods of exchange with our company, but can also share their shopping and consumption experiences with other people, customers and non-customers (through reviews, evaluations, feedback, comments and posts published on social networks), thus encouraging word of mouth among consumers.

6.2.1. Advertising Campaign

The launch campaign, which occurs during the introduction of our product on the market, aims to create a favorable attitude on the part of the target audience and to favor the penetration of the product into the market. Generally, advertising campaigns designed for the launch of products or brands involve high costs: the objectives of the average plan are oriented towards achieving high coverage and frequency in a short time; Moreover, advertising releases with an impacting format are used, but since we do not have tight deadlines or timing, we can do everything calmly. In itself, our message will be of great impact, ecological, shedding light on the issues that concern us about the environment.

For example, a marketing campaign that we absolutely want to put in place is to give a discount of € 5, when a customer makes a purchase, he can send us (with a devolution) of the used garments and we will give him a voucher or a discount percentage on a new purchase, in this way it gives new life to used garments, through reuse and recycling and generating environmental and social benefits. We will deal with digital advertising and our advertising campaigns will consist of purchases of online advertising space but above all we will collaborate with Influencers. We will also use forms of display advertising on portals, news or editorial sites, vertical sites, social networks such as Instagram and Facebook, blogs, shopping sites and search advertising campaigns such as Google Ads.

6.2.2. Google Ads

The use of advertising campaigns involves an investment, and therefore objectives, and it is necessary to always evaluate the return on investment (ROI). This allows us to measure how much we spend and what we get, so also how to behave in order to improve ourselves. Through the use of Google Ads, that are text that shown and appear on top of Google search engine results, we can buy one of their ads, which unlike a text ad, shows a photo of the product and a price. To make the most of Google ads, we should conduct some keyword searches, get an idea of the search volume of each of the key phrases that our customers are looking for. The same applies both to price and to competitiveness.

We will use two currently existing search engine optimization techniques: SEO for the appearance of the natural form in the first positions of search results and SEM so that our link appears in sponsored links paying a sum of money for each time some users access our website.

Best SEO Keyword tips for our T-Shirt Brand: T-shirts, ecologic, bio fabrics, environment.

For the researcher we will use a free tool Keyword research on Google and others free searching tools.

6.2.3. CRM

CRM is customer relationship management software, useful for organizing contact information, managing relationships, tracking interactions and tracking the entire online and offline experience with current, potential, and other customers. Essentially, CRM is able to collect new leads and consumer information, analyze the information collected, and define customer or market needs, and adjust marketing campaigns accordingly to increase sales. It can be used to manage networks or contacts and to increase sales by location. Using a CRM to manage direct marketing services makes everything more efficient and measurable. A cloud sales automation application can cost between €50 and €150 per month for a basic sales package. If more sophisticated features and a higher level of support are needed, the price goes up.

6.2.4. Influencers

Working with bloggers and social media influencers to target millennials has become a phenomenon with enormous potential for marketers, especially in the fashion industry. By putting

our product in the hands of influencers, we can count on an existing audience and more easily reach our ideal customers.

References are very effective tools. 92% of consumers rely more on references from people they know than anything else when shopping. So, using the trust our customers have in successful influencers can give a big boost to our growth and sales.

If we want our product to be featured in a blogger's post or social media celebrity, one of the best methods is simply to ask them. Many influencers put their contacts in the "Who are" section of their site or profile, and are usually open to collaborations for product promotion. The key to influencer marketing is to find an influencer with an audience similar to our target, so you have to do an accurate search and perfect our proposal before contacting it.

6.2.5. Social networks

Our ideal customers are millennials so Instagram is the place to stay. Millennials tend to interact more on Social Medias than in real life, in fact their preferences at the level of purchases are motivated by experiences and ideas formed through a typical online experience.

There are many people who make money through **Instagram** by offering their community content in collaboration with the companies that contact them to get advertised. For example, a fashion blogger is a figure who presents a specific brand and inserts among the hashtags of the post #ad, which means "advertising".

We therefore see the characteristics of the activities to be followed to interact continuously with our Millennials present on Instagram:

- **Create eye-catching videos:** they attract the attention of Millennials clearly, they must be short, high-resolution and eye-catching. Millennials like to watch videos rather than read texts, especially if they're long. They love Instagram Stories consisting of short videos, available on the creator's profile only for 24 hours.
- **Incentivize user-generated content:** I will be used to make our brand go viral on Instagram in this way the content makes followers feel an active part of the business they support as they tend to trust user-generated content 50% more than other forms of advertising; the best of these 'spontaneous sponsorships' should be rewarded for stimulating the subsequent creation and dissemination of such effective, as well as low-cost 'sponsorships'.

- **Dealing with trending topics:** sporting events, news in the world of music, cinema, new technologies, are just some of the topics that can be referred to create content that can trigger online conversations through our business profile. Issues related to politics, religion, complex social problems are to be avoided since or until we know in detail the ideologies and beliefs of our audience.
- **Post high-quality images:** Instagram remains a photo sharing application. To achieve great engagement (interactions) results, we need to post high-quality and very creative photos. We have to convey the real impression that there is a team of professionals who deal with graphic production.
- **Organization of competitions:** they allow to generate content that can be used for a series of Posts to be published in sequential mode and able to entertain, intrigue, make viral a specific promotional activity.
- **Collaborations with Influencers:** the use of Influencers, is still one of the fastest and most effective methods to get in touch with clients. Instagram Influencers have a large following amount of Millennials people ready to appreciate and share what they post; they are generally identified as reference figures in particular product sectors, fields of knowledge, individual artistic or sports activities. In a few steps a brand can become known thanks to the support of established and decidedly credible Influencers.

To make sure that our ads, posts reach exactly the audience we want, that they are also people outside the page, that is, that they have never liked the company page, Instagram asks to advertise the post, therefore to buy advertising and to ensure success we have to insert these small precautions: locations, demographic, interests, behaviors, Custom audience, similar audience, targeting.

Without a doubt, having many millennials as followers on Instagram means accessing a great market opportunity that we don't back down to. To do this we need to create a business account and the process is free. Posting and sharing them with your followers is free. However, to show photos of our company's services and products to new customers you need to invest funds. The minimum spend is € 1 per day, with no time limit and you can stop the campaign even after 2 days and have spent € 2. Another possibility is Instagram stories, a section of Instagram that we will use to put instant photos and videos, "in real time" which, unlike the normal "post" in the

feed, lasts 24 hours and then deletes automatically. Advertising in this section means capturing people's attention in 2/3 seconds, with colorful photos, videos, and animated graphics. We will start by allocating a budget of € 5/10 euros per day for online advertising, implementing it with the implementation of sales.

7. ECONOMIC - FINANCIAL PLAN

It consists of the elaboration of economic-financial forecasts in the medium and long term, that is, on a horizon between 3 and 5 years. The Financial Economic Plan is certainly one of the most important parts of our entire business plan, because it summarizes and puts everything in a measurable and easy-to-read table form.

7.1 Viability Plan

It is a future economic simulation of the company in order to assess whether it is convenient or not to carry out certain actions (investments) planned. For it we will collect all the points developed in this project in economic terms. It will be considered viable if it generates profits by correctly making all the payments of the company.

Below we mention the budgets for which a plan of viability:

- Data entry sheets:
 - Investment plan
 - Financing plan
 - Income and expenses
- Result sheets:
 - Provisional balance sheet
 - Provisional income statement
 - NPV and IRR

Once all these budgets have been made, the following must be met circumstances or statements:

1. The financing budget must cover the investment budget
2. The provisional income statement must be positive and also sufficient

3. The financial plan will have to show positive liquidity every year

For our company, this viability plan will focus on a period of time between the first and fifth year. We have set this period to analyze the evolution of the company from its birth and beginning, until a moment in which we consider may be fully operational.

7.1.1 Investment budget

In this section we will determine the volume of financial resources necessary to start our e-commerce and so that the company can develop its activity. The investment budget of our company will not be very high, since it is about the creation of a small business that aims to minimize expenses in infrastructures to have a greater margin of maneuver. Although it will consist of a relatively low initial capital outlay for the acquisition of the assets in compared to other companies, it will be more than enough to put into operation business professionally. That is, due to the business model we want carry out, said budget is adequate for its constitution.

The disbursement will be 11,500 euros, distributed as follows:

INVESTMENTS OF FIXED ASSETS							
CONCEPT	START ACTIVITY	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEARS OF USEFUL LIFE	% MAINTENANCE COSTS
CURRENT ACT.NO							
TECHNIQUE INST.	4.000,00 €	0,00 €	0,00 €	0,00 €	0,00 €	10	3%
MACHINERY	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €		
COMPUTER APPLICATIONS	2.500,00 €	0,00 €	0,00 €	0,00 €	0,00 €	5	2%
FORNITURE	1.500,00 €	0,00 €	0,00 €	0,00 €	0,00 €	10	2%
EQUIPMENT FOR INFORMATION SECURITY	3.000,00 €	0,00 €	0,00 €	0,00 €	0,00 €	5	2%
OTHER IMMOBILIZED	500,00 €	0,00 €	0,00 €	0,00 €	0,00 €	5	2%
TOTAL NOT CURRENT	11.500,00 €	0,00 €	0,00 €	0,00 €	0,00 €		270,00 €

Graphic 1. Investments in fixed assets. Investment budget. Source: own graphic.

ANNUAL DEPRECIATION					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TECHNICAL FACILITIES	400,00 €	400,00 €	400,00 €	400,00 €	400,00 €
COMPUTER APPLICATIONS	500,00 €	500,00 €	500,00 €	500,00 €	500,00 €
FORNITURE	150,00 €	150,00 €	150,00 €	150,00 €	150,00 €
EQUIPMENT FOR INFORMATION PROCESSING	600,00 €	600,00 €	600,00 €	600,00 €	600,00 €
OTHER IMMOBILIZED	100,00 €	100,00 €	100,00 €	100,00 €	100,00 €
TOTAL	1.750,00 €	1.750,00 €	1.750,00 €	1.750,00 €	1.750,00 €

Graphic 2. Annual amortization table. Investment budget. Source: own graphic.

MAINTENANCE EXPENSES					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
AMOUNT OF THE INVESTMENT	11.500,00 €	€ 0,00	€ 0,00	€ 0,00	€ 0,00
ANNUAL PERCENTAGE OF INVESTMENT	100%	0,00%	0,00%	0,00%	0,00%
ANNUAL DEPRECIATION	1.750,00 €	1.750,00 €	1.750,00 €	1.750,00 €	1.750,00 €
ANNUAL MAINTENANCE COSTS	270,00 €	270,00 €	270,00 €	270,00 €	270,00 €

Graphic 3. Maintenance expenses of fixed assets. Investment budget. Source: own graphic.

7.1.2 Financing budget

At this point we will determine the funds from which the resources are obtained for finance the investment budget. They are as follows: the share capital of the company is made up of € 5.000,00 euros totally disbursed with a reserve of € 1.000,00. A long-term debt of € 15.000,00 euros will also be requested with interest rate of 4.95% and with a duration of 5 years. There will also be a debt to short-term for an amount of € 1.500,00 euros at an annual interest rate of 2%.

FINANCING					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
OWN FUNDS					
CAPITAL SOCIAL	5.000,00 €	0,00 €	0,00 €	0,00 €	0,00 €
RESERVES	1.000,00 €	0,00 €	0,00 €	0,00 €	0,00 €
LONG-TERM DEBTS					
AMOUNT	15.000,00 €	0,00 €	0,00 €	0,00 €	0,00 €
INTEREST RATE	4,95%	4,95%	4,95%	4,95%	4,95%
YEARS DURATION OF THE LOAN	5	5	5	5	5
SHORT-TERM DEBTS					
AMOUNT	1.500,00 €	0,00 €	0,00 €	0,00 €	0,00 €
NOMINAL INTEREST RATE	2%	0	0	0	0
TOTAL	22.500,00 €	0,00 €	0,00 €	0,00 €	0,00 €

Graphic 4. Financing. Financing budget. Source: own graphic.

LONG-TERM LOAN REPAYMENT TABLE					
YEARS	YEARLY PAYMENTS	AMORTIZATION FEE	INTERESTS	AMORTIZED CAPITAL	CAPITAL PENDING
0					15.000,00 €
1	3.459,83 €	2.717,33 €	742,50 €	2.717,33 €	12.282,67 €
2	3.459,83 €	2.851,84 €	607,99 €	2.851,84 €	9.430,82 €
3	3.459,83 €	2.993,01 €	466,83 €	2.993,01 €	6.437,81 €
4	3.459,83 €	3.141,16 €	318,67 €	3.141,16 €	3.296,65 €
5	3.459,83 €	3.296,65 €	163,18 €	3.296,65 €	0,00 €

Graphic 5. Long-term loan repayment chart. Financing budget. Source: own graphic.

7.1.3 Income forecast

For the next 5 years we will make an estimate of sales of our main products. The costs of each product and the sales prices will be displayed. We will thus determine the total estimated income for each year. We have estimated that the number of T-shirts we need to sell in the first year, that are necessary to cover expenses, are 2.020. That is, 6 T-shirts a day from € 39,99 to € 49,99. We also believe that we will sell 10% more to women than men, because what we expect us to sell 1.212 T-shirts to women and 808 to men in total in the first year. We also think that there will be a difference between the youth sector and the adult at the time of purchase, so that in the female sector young women will buy 5% more than adults and in the male sector 10% more. Therefore, young women will buy a total of 667 t-shirts compared to 545 for adult women. In the case of males, young men will buy 485 T-shirts compared to 323 for adult men. We have also estimated more sales for our products, as designs will be sold unevenly.

The cost price of t-shirts is the result of the sum of the price at which we buy T-shirts and the price of printing, which will be different depending on the number of colors that each print incorporates. That is, in general, 10,00 € per print should be added to the purchase price of t-shirts. Printing is the term by which those who work in this activity refer to the process of printing computer-created graphics that will then print on t-shirts. So, the print price of a drawing/graphic that has a color cost 10,00 €. In addition, at the cost price of t-shirts, which includes packaging and preparation we will add shipping costs 8.56 + VAT if we do not have a drop-shipping service. Instead, we have estimated that the prices of our t-shirts will remain at the same price every year, at least for the first 5 years while sales will increase by 10%. Production costs will decrease

because when we estimate that there will be more sales, we also estimate that the number of T-shirts produced increases, and the more T-shirts we produce, the lower its unit cost of production. In addition, the higher the volume of orders we receive from our customers, the lower the transport price we have to bear. Below we show the purchase and sale costs of the 2 types of T-shirts, one of which we will produce 5 different models, in total 10.

REVENUE AND COSTS OF PRODUCTS						
CONCEPT	SALES	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Units	202	222	244	269	296
	P.Sale	49,99 €	49,99 €	49,99 €	49,99 €	49,99 €
	Unit Cost	8,59 €	8,59 €	8,59 €	8,59 €	8,59 €
2	Units	202	222	244	269	296
	P.Sale	39,99 €	39,99 €	39,99 €	39,99 €	39,99 €
	Unit Cost	4,69 €	4,69 €	4,69 €	4,69 €	4,69 €

Graphic 6. Production income and costs of main collection. Budget of income. Source: own graphic.

We can differentiate the models into two groups Type 1 and Type 2, they change based on various factors, for example we will cut shipping costs a lot, but on the other hand the ecological and natural fabrics that we will use are not entirely cheap and the price also changes based on the number of colors and for this we have two different selling prices € 39.99 and € 49.99.

SELLS					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Type 1	€ 50.489,90	€ 55.538,89	€ 61.092,78	€ 67.202,06	€ 73.922,26
Type 2	€ 40.389,90	€ 44.428,89	€ 48.871,78	€ 53.758,96	€ 59.134,85
TOTAL	€ 90.879,80	€ 99.967,78	€ 109.964,56	€ 120.961,01	€ 133.057,12

Graphic 7. Total sales. Income budgets. Source: own graphic.

COSTS					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Type 1	€ 8.675,90	€ 9.543,49	€ 10.497,84	€ 11.547,62	€ 12.702,39
Type 2	€ 4.736,90	€ 5.210,59	€ 5.731,65	€ 6.304,81	€ 6.935,30
TOTAL	€ 13.412,80	€ 14.754,08	€ 16.229,49	€ 17.852,44	€ 19.637,68

Graphic 8. Total costs. Income budgets. Source: own graphic.

7.1.4 Expense budget

We differentiate between two types of expenses, one for labor and the other for exploitation.

7.1.4.1 Labor expenses

As already indicated in the human resources plan, the company will be made up of 3 workers:

1. The manager and administrator of the company
2. The designer of the sketches and marketing department
3. Customer Service Manager.

As the company grows, we will increase the number of workers and create new jobs. It is estimated that this increase will take place as early as the second year of the company's life. The manager and administrator will work part-time for the first 3rd years and 30 hours for weeks the 4th year and full time the 5th, the he designer of the sketches and marketing department will start part-time full time for the wholes 5 years, finally the customer service will be inserted from the 3rd year and will work part-time.

Regarding salaries and wages, as we also indicated earlier in the human resources plan, we make an adjustment so that the costs of the enterprise do not increase. The reason is that the workers are the ones who started this idea and can adapt to the circumstances of the company, without setting a very high specific salary based on the job position. In addition, salaries will increase by 1% every year. The salary set for each position are as follows:

STAFF COSTS					
CONCEPT	SALARIES				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Manager	15.320,00 €	15.473,20 €	15.627,93 €	15.784,21 €	15.942,05 €
Digital graphic design / marketing	12.000,00 €	12.120,00 €	12.241,20 €	12.363,61 €	12.487,25 €
Customer Service Manager	11.700,00 €	11.817,00 €	11.935,17 €	12.054,52 €	12.175,07 €
TOTAL AMOUNT OF WAGES AND SALARIES	39.020,00 €	39.410,20 €	39.804,30 €	40.202,35 €	40.604,37 €
AMOUNT OF TAX BURDENS (30%)	11.706,00 €	11.823,06 €	11.941,29 €	12.060,70 €	12.181,31 €
TOTAL STAFF COSTS	50.726,00 €	51.233,26 €	51.745,59 €	52.263,05 €	52.785,68 €

Graphic 9. Personal expenses. Labor expenses budget. Source: own graphic.

The number of employees hired for the years analyzed are:

NUMBER OF EMPLOYEES					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Manager	0,5	0,5	0,5	0,75	1
Digital graphic design / market	0,5	0,5	0,5	0,5	0,5
Customer Service Manager	0	0	0,5	0,5	0,5
TOTAL NUMBER OF EMPLOYEES	1	1	1,5	1,75	2

Graphic 10. Number of employees. Budget of labor expenses. Source: own graphic.

Where 0.5 indicates reduced working hours, 0,75 part time 6 hours (for example) and 1 full day. Finally, the personnel costs adapted to our needs are as follows:

TOTAL EXPENSES					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Manager	7.660,00 €	7.736,60 €	7.813,97 €	11.838,16 €	15.942,05 €
Digital graphic design / marketing	6.000,00 €	6.060,00 €	6.120,60 €	6.181,81 €	6.243,62 €
Customer Service Manager	0,00 €	0,00 €	5.967,59 €	6.027,26 €	6.087,53 €
AMOUNT OF WAGES AND SALARIES	13.660,00 €	13.796,60 €	19.902,15 €	24.047,23 €	28.273,21 €
AMOUNT TAX BURDENS	4.098,00 €	4.138,98 €	5.970,65 €	7.214,17 €	8.481,96 €
TOTAL STAFF COSTS	17.758,00 €	17.935,58 €	25.872,80 €	31.261,39 €	36.755,17 €

Graphic 11. Adjusted total expenses. Budget of labor expenses. Source: own graphic.

7.1.4.2 Operating expenses

- Occupational risk prevention: the employer can personally take prevention. To do this, the following requirements must be met:
 - Take a training course
 - Be regularly on the job
- Self-employed professionals: at this point a computer scientist or technician is included to take care of the installation of computer antivirus programs and systems. We will also need a specialist in creating online platforms, who manages the e-commerce and takes care of the design of our web page. Both will provide their services externally to the company first put it to enter the market. The estimate is 40 euros per hour for the IT for which we foresee 10 hours and 300 euros for the developer web. The photographer of the t-shirts,

on the other hand, will be paid 50 euros per hour, estimate 8h. As for the models, we will choose friends as the first influencers by giving them our products.

- Supplies: we have to hire a telephone company to have access to the Internet and a telephone line dedicated to our company, we estimate € 60,00 per month, with an increase of 2%.
- Marketing and advertising: these are the expenses derived from the strategies of marketing and advertising. The estimate is € 1.500 for the first year for the marketing and € 1.000 for advertising (Internet ads, etc.). Each year the budget expenses will decrease by 10%.
- Banking and similar services: these are the expenses related to the contracting of banking services necessary for our company: opening a new account, etc. It is estimated that the banking services offer a virtual POS (allows you to load ATMs and credit cards online) with a monthly fee of 5 and 10 euros and a percentage on each sale between 0.5% and 2%.
- Establishment costs: the estimated expense for the opening costs, formed for the certification of the company name (registration + courier = 25 euros), the writing and registration of the deed of incorporation (210 euros), the payment of the passage tax ownership and legal deeds of capital (30 euros), registration in the business register (123 euros), and the legalization and sealing of books in the business register (50 euros) is 440 euros. Although this is a depreciable expense, being a small amount, we record the first year as an expense.

INDEPENDENT PROFESSIONAL SERVICES	700,00 €	244,80 €	249,70 €	254,69 €	259,78 €
Internet and Mobile	720,00 €	734,40 €	749,09 €	764,07 €	779,35 €
SUPPLIES	720,00 €	734,40 €	749,09 €	764,07 €	779,35 €
Marketing	1.500,00 €	1.350,00 €	1.215,00 €	1.093,50 €	984,15 €
Advertising	1.000,00 €	900,00 €	810,00 €	729,00 €	656,10 €
ADVERTISING AND MARKETING	2.500,00 €	2.250,00 €	2.025,00 €	1.822,50 €	1.640,25 €
BANKING AND SIMILAR SERVICES	250,00 €	255,00 €	260,10 €	265,30 €	270,61 €
Transport	1.512,00 €	1.542,24 €	1.573,08 €	1.604,55 €	1.636,64 €
OTHER SERVICES	1.512,00 €	1.542,24 €	1.573,08 €	1.604,55 €	1.636,64 €
TOTAL	5.682,00 €	5.026,44 €	4.856,97 €	4.711,11 €	4.586,63 €

Graphic 12. Operating expenses. Operating expenses budget. Source: own graphic.

7.1.5 Customers and suppliers

Customers will make the payment in cash while for the suppliers we will make the payment later, 30 days after the purchase.

DEBIT BALANCE		CREDIT BALANCE		
DISCOUNTED PERCENTAGE OF SALES	0,00%	DEFERMENT PAYMENT SUPPLIERS	30	
ANNUAL INTEREST FOR COMMERCIAL DISCOUNT	0,00%	PERCENTAGE OF TOTAL BALANCE	100,00%	0,00%
DEFERMENT COLLECTION OF CUSTOMERS (Days)	2			
PERCENTAGE OF TOTAL BALANCE	100%	0%		

Graphic 13. Debtors and creditors balance. Budget of clients and suppliers. Source: own graphic.

CUSTOMERS					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SALES	€ 90.879,80	€ 99.967,78	€ 109.964,56	€ 120.961,01	€ 133.057,12
MONTHLY SALES	€ 7.573,32	€ 8.330,65	€ 9.163,71	€ 10.080,08	€ 11.088,09
CURRENT MONTH'S OUTSTANDING BALANCE	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
30-DAY OUTSTANDING BALANCE	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE OUTSTANDING 60 DAYS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE OUTSTANDING 90 DAYS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
TOTAL BALANCE CUSTOMERS	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Graphic 14. Customers. Budget of clients and suppliers. Source: own graphic.

SUPPLIERS					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
PURCHASES	€ 13.412,80	€ 14.754,08	€ 16.229,49	€ 17.852,44	€ 19.637,68
MONTHLY PURCHASES	€ 1.117,73	€ 1.229,51	€ 1.352,46	€ 1.487,70	€ 1.636,47
UNPAID BALANCE FOR THE CURRENT MONTH	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE OUTSTANDING 30 DAYS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE OUTSTANDING 60 DAYS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE OUTSTANDING 90 DAYS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
BALANCE PER EXPENSE PURCHASES	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
TOTAL BALANCE SUPPLIERS	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €

Graphic 15. Providers. Budget of clients and suppliers. Source: own graphic.

7.2 Reports

The provisional balance and the profit and loss account, which we are going to show below, will establish the estimated forecasts for the next 5 years.

7.2.1 Provisional balance

It is an accounting document that in a business plan, the employer must estimate. It reflects the financial situation of a business at a given time and is made up of assets and rights, and obligations. That is, it represents the economic and financial situation of the company in a specific period, through assets (which correspond to investments) and liabilities (which correspond to sources of financing). The initial balance is made up of the initial investments that come from the asset items and the initial sources of financing that come from the liabilities. For the preparation of the provisional balance, we take into account the data obtained in the provisional income statement and the treasury budget that we have decided not to calculate for the first 5 years and to manage it if necessary when the earnings will be bigger.

CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
OWN FUNDS	€ 5.000,00				
Capital	€ 5.000,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Reserves		€ 51.784,50	€ 60.143,69	€ 61.038,48	€ 65.317,40
Grants	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
PROFIT OR LOSS FOR THE FINANCIAL YEAR	€ 51.784,50	€ 60.143,69	€ 61.038,48	€ 65.317,40	€ 70.414,45
NON-CURRENT LIABILITIES					
Long-term loan debts					
CURRENT LIABILITIES	€ 1.500,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Creditors	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Short-term debts	€ 1.500,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
TOTAL LIABILITIES	€ 6.500,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

PROVISIONAL BALANCE SHEET					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NON-CURRENT ASSETS	€ 9.750,00	€ 8.250,00	€ 6.750,00	€ 5.250,00	€ 3.750,00
Immobilized	€ 11.500,00	€ 11.500,00	€ 11.500,00	€ 11.500,00	€ 11.500,00
Depreciation	€ 1.750,00	€ 3.250,00	€ 4.750,00	€ 6.250,00	€ 7.750,00
CURRENT ASSET					
Stock	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Debtors	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Treasury	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
TOTAL ACTIVE	€ 9.750,00	€ 8.250,00	€ 6.750,00	€ 5.250,00	€ 3.750,00

Graphic 16. Provisional balance sheet. Source: own graphic.

7.2.2 Profit and loss account

Through an analysis of the annual accounts it is possible to compile the accounting report that summarizes the items of income and expenditure generated by our company. In addition, these items must be well defined since it is the only way to demonstrate them and give credibility to our company. For our business plan, the preparation of this account helps us to make the annual forecasts of the company's financial statements, and we prepare it from the estimates of income and expenses defined above.

PROFIT AND LOSS ACCOUNT					
CONCEPT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
OPERATING INCOME	€ 90.879,80	€ 99.967,78	€ 109.964,56	€ 120.961,01	€ 133.057,12
Net amount of turnover	€ 90.879,80	€ 99.967,78	€ 109.964,56	€ 120.961,01	€ 133.057,12
Other operating income	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
OPERATING CONSUMPTION	€ 13.412,80	€ 14.754,08	€ 16.229,49	€ 17.852,44	€ 19.637,68
Procurements	€ 13.412,80	€ 14.754,08	€ 16.229,49	€ 17.852,44	€ 19.637,68
STAFF COSTS	€ 17.758,00	€ 17.935,58	€ 25.872,80	€ 31.261,39	€ 36.755,17
Wages and Salaries	€ 13.660,00	€ 13.796,60	€ 19.902,15	€ 24.047,23	€ 28.273,21
Social charges	€ 4.098,00	€ 4.138,98	€ 5.970,65	€ 7.214,17	€ 8.481,96
ALLOWANCES FOR THE AMORTIZATION OF FIXED ASSETS	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 1.500,00
VARIATIONS IN TRAFFIC PROVISIONS	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
OTHER OPERATING EXPENSES	€ 5.682,00	€ 5.026,44	€ 4.856,97	€ 4.711,11	€ 4.586,63
R&D expenses	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Maintenance Costs	€ 270,00	€ 270,00	€ 270,00	€ 270,00	€ 270,00
Independent professional services	€ 700,00	€ 244,80	€ 249,70	€ 254,69	€ 259,78
Supplies	€ 720,00	€ 734,40	€ 749,09	€ 764,07	€ 779,35
Banking services	€ 250,00	€ 255,00	€ 260,10	€ 265,30	€ 270,61
Advertising	€ 2.500,00	€ 2.250,00	€ 2.025,00	€ 1.822,50	€ 1.640,25
Other services	€ 1.512,00	€ 1.542,24	€ 1.573,08	€ 1.604,55	€ 1.636,64
RESULT OF EXPLOITATION	€ 52.527,00	€ 60.751,68	€ 61.505,30	€ 65.636,08	€ 70.577,63
FINANCIAL INCOME	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
FINANCIAL EXPENSES	€ 742,50	€ 607,99	€ 466,83	€ 318,67	€ 163,18
Commercial discount	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Interest on the loan	€ 742,50	€ 607,99	€ 466,83	€ 318,67	€ 163,18
RESULTS OF ORDINARY ACTIVITIES	€ 51.784,50	€ 60.143,69	€ 61.038,48	€ 65.317,40	€ 70.414,45
Income tax	€ 7.767,68	€ 9.021,55	€ 15.259,62	€ 16.329,35	€ 17.603,61
Other taxes	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Reserves (100%)	€ 1.000,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
NET RESULT FROM THE EXERCISE	€ 43.016,83	€ 51.122,13	€ 45.778,86	€ 48.988,05	€ 52.810,84
TOTAL PROFIT	€ 43.016,83	€ 51.122,13	€ 45.778,86	€ 48.988,05	€ 52.810,84

Graphic 17. Profit and loss account. Source: own graphic.

After comparing the annual income and expenses that we expect to generate in the period we are analyzing, the profit and loss account represents the accounting profit of our company.

7.3 Net Present Value and Internal Rate of Return

For the creation of a business it is necessary to invest an important initial capital which will have to foresee a profitability over the years thanks to sales. For this reason we will analyze how to have income.

The parameters we will use to calculate the feasibility of our project will be the net present value (NPV) and the internal rate of return (IRR) which are based on the estimated cash flows of the company.

The first is defined as the difference between the updated value of the receipts and payments generated by an investment measuring the profitability in absolute value, and for the project to be profitable, the Van must be greater than zero since that would mean that we would recover the initial investment and we would obtain more capital than if we had put it at fixed income.

The second is defined as the profitability of the updated collections and payments, generated by an investment, in relative terms, that is, in percentage, and is calculated by testing different interest rates until the NPV becomes zero. Therefore, we have:

NET UPDATED VALUE CASH FLOWS	481,94 €
INTERNAL RATE OF RETURN	8,76%

In our case, both the NPV and the IRR are positive. The positive NPV of € 481.94 indicates that the realization of the project allows the recovery of the invested capital and, therefore, to meet all the payments that the project generates. The positive IRR of 8.76% indicates the relative profitability of the investment, which is the maximum rate that could be paid for the capital invested without obtaining losses.

Thanks to the analysis we have been able to ascertain that it is possible to open our business as the calculation of the IRR exceeds that of the cost of debt.

8. CONTINGENCY PLAN

To identify potential risks that may loom in our company, we will use a corporate contingency plan that outlines the steps or actions our management team and employees will need to take to counter them. The key to a solid plan is thoughtful brainstorming sessions and good research and ongoing meetings with staff.

If there is the possibility of having funds, it may be useful to invest in an agency that can guide us in calculating the risks we face. It will also be better to invest in a massive and more performing marketing campaign in order to increase the visibility and sales of the existing product, perhaps also offering a seasonal discount or timed offers.

Focus on another approach with collaborations with Influencers, try to lower the price of the product and the cost of production, diversify it by inserting new products such as accessories (belts, hats, key rings, mugs, wallets) at low cost. In short, we will do everything to keep our company standing and continue to share our vision with customers.

9. CONCLUSIONS

The main objective of our project is, first of all, to open people's eyes to the climate problems we are facing nowadays, but above all to create a green and eco-sustainable company showing that it is really possible to work in universal respect. Towards our planet, towards people and animals.

Through the development of this start-up project, it was possible to study the feasibility and creation of our business which is focused on the online sale of eco-friendly products such as t-shirts whose graphics are created by a team of expert graphic designers and therefore they will be exclusive, fresh and new prints specially designed and made for SCL N.

Step by step we have analyzed every factor that can allow us to increase our project. Through the analysis of the online market, which showed us a type of trade whose evolution is constantly growing especially after the covid-19 era. We had the opportunity to study the sales trend of users who buy online, purchase preferences and user profiles, the level of use and the most common accesses to the Internet. Thanks to this we have understood how and what to

propose to our target customers and consequently provide a valid strategy that allows us to have a profit.

In this way we have specialized in offering a quality product and oriented to the wishes of our future customers. The aforementioned selected segment is the one that constitutes a greater percentage of online purchases, because it has grown with the changing technologies, or rather the “millennials”, it knows how to adapt and exploit them to the fullest. It is also a segment that has some purchasing power and independence in making purchasing decisions.

Thanks to studies and researches, to actually ascertain the viability of the project and therefore the opening of our start-up, they have determined the costs that will have to be incurred to carry it out, and the income we will get.

The method chosen for its demonstration was the determination of the parameters of the net present value and the internal rate of return. Since the execution of the project allows the recovery of the invested capital and, therefore, satisfies all the payments that the company generates, as indicated by the positive NPV of € 481.94, and determines the relative profitability of the investment that revolves around the 8.76% where the IRR is placed, which also determines that the project is feasible because the percentage of calculation of the IRR exceeds the cost of debt. In this way, and as a final conclusion, after having carried out various analyzes of the environment, the general strategy, marketing, localization and production, together with the analysis of the necessary human capital, as well as the economic-financial analysis that we have also carried out, and all this with the determination of the legal requirements for its start, we can consider the results obtained on the different plans analyzed, or that the realization of this project is feasible.

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