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Developing a Detailed Business Plan to Establish an Online Ready-Made Garments Shop in Finland

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Abstract

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The objective of this thesis is to develop a business plan to set up an online apparel store based in Finland. To develop a business plan, the first step forward was to identify the components of a business plan. Helped with the existing knowledge and best practice, the components of the business plan were selected. Later, the current state analysis provided insights into the market conditions and thus helped to set the foundation for the development of the initial business plan.

The study used Applied action research and relied mainly on the use of qualitative data. There were two stages in collecting the primary data. For the first stage, six customers were interviewed. For the second stage, two industry experts were interviewed for feedback on the initial proposal and validating the proposal. For the analysis of the market conditions, online databases, news, articles, research papers, books, and annual reports of the existing businesses were utilized. The key findings demonstrated the importance of sustainability and ethical sourcing to satisfy the current customer base. Aside from that, digital marketing and social media are found to be crucial in guiding customer demands and preferences.

The outcome of the thesis is a business plan for an online ready-made garments shop in Finland based on utilizing the business model canvas. The business plan provides a comprehensive guideline to the case company to launch its service and start operating. The thesis can also help business professionals and entrepreneurs in getting an initial idea about how a business plan is developed and what are the considerations while developing a business plan. The industry-specific requirements of developing a business plan and operating a business in the ready-made garments e-retailing sector can also be understood from the thesis.

Keywords: Ready-made garments, E-commerce, E-retailing, Digital Technology, Bangladesh, Finland, Business Planning

Table of Contents

1	Introduction	1
1.1	Business Context	2
1.2	Business Challenge, Objective, and Outcome	3
1.3	Thesis Outline	3
2	Method and Material	5
2.1	Research Approach	5
2.2	Research Design	6
2.3	Data Collection and Analysis	8
3	Existing Knowledge and Best Practices in Business Plan Development	10
3.1	Approaches to Business Plan Development	10
3.2	Available Theories and Models of Business Plan Development	12
3.3	Details of the Business Model Canvas	14
3.3.1	Customer Segments	15
3.3.2	Value Propositions	15
3.3.3	Channels	16
3.3.4	Customer Relationships	16
3.3.5	Revenue Streams	17
3.3.6	Key Resources	17
3.3.7	Key Activities	18
3.3.8	Key Partnership	18
3.3.9	Cost Structure	19
3.4	Cost and Revenue Projections in Business Plan Development	19
3.5	Conceptual Framework of the Thesis	21
4	Current State Analysis of the Market Conditions for a New E-Retailing Business of Ready-made Garments in Finland	23
4.1	Overview of the Current State Analysis	23
4.2	Overview of the Finnish Ready-made Garments Market	23
4.3	Customers' preferences and expectations	24
4.4	Analysis of Available Market Information on the Components of the Business Model Canvas	25
4.4.1	Customer Segments	25
4.4.2	Value Propositions	26
4.4.3	Channels	27
4.4.4	Customer Relationships	28

4.4.5	Revenue Streams	29
4.4.6	Key Resources	30
4.4.7	Key Activities	31
4.4.8	Key Partnerships	32
4.4.9	Cost Structure	34
4.5	Summary of the Current State Analysis Results	35
4.5.1	Key Findings about the Existing Market Conditions from the Current State Analysis	35
4.5.2	Strengths and Weaknesses of the Proposed Business	36
5	Building a Plan for Online Ready-Made Garments Shop in Finland	38
5.1	Overview of the Proposal Building Stage	38
5.2	Initial Proposal for the Business Plan	38
5.2.1	Business Description	38
5.2.2	Summary of the Business Model Canvas	41
5.2.3	Customer Segments	42
5.2.4	Value Propositions	43
5.2.5	Channels	44
5.2.6	Customer Relationships	45
5.2.7	Revenue Streams	46
5.2.8	Key Resources	47
5.2.9	Key Activities	48
5.2.10	Key Partnership	48
5.2.11	Cost Structure	49
5.2.12	KPIs	51
5.2.13	Conclusion	52
6	Validation of the Business Plan	53
6.1	Overview of the Validation Stage	53
6.2	Inputs from the Validation	53
6.3	Updated Business Plan	56
7	Conclusion	60
7.1	Executive Summary	60
7.2	Next Steps toward Implementation	61
7.3	Evaluation of the Thesis	62
7.4	Closing Words	62
	References	64

Appendix 1 – Written Statement on the use of AI-based tools in this thesis

Appendix 2 – Questions for Customer Interview

Appendix 3 – Questions for the Feedback Interview

Appendix 4 – Financial Reports of L Fashion Group

Appendix 5 – Financial Statements of H&M

List of Tables

Table 1: Data collection and analysis strategy for this thesis.**Error! Bookmark not defined.**

Table 2: The Relevant Components of Business Model Canvas for an Apparel Retailer.	21
Table 3. Business overview.	39
Table 4. Regulatory and Legal Considerations.	40
Table 5. Business Model of Finnish Threads.	41
Table 6. Key customer segments.....	42
Table 7. Value Propositions.	43
Table 8. Channels.....	44
Table 9. Customer Relationship Management Plan.	45
Table 10. Revenue Plan.	46
Table 11. Key Resources.....	47
Table 12. Key activities.	48
Table 13. Key partners.....	49
Table 14. Initial Investment for Finnish Threads.....	50
Table 15. KPIs for Finnish Threads.....	51
Table 16. Expert Suggestions and Feedback.....	54
Table 17. Components of the Final Business Plan.....	56
Table 18. Business Model Canvas Presentation of the Final Business Plan.	58
Table 19. Financial Projection of the Business Plan.....	58

1 Introduction

Competition in the current business environment is more intense than ever with the availability of information and technologies. For example, any new business can launch a specific marketing campaign by using digital marketing tools, as the use of such digital technologies has made the business landscape more competitive. As a result, a groundbreaking idea is not enough for the development of a sustainable business. Thorough planning is important to ensure the sustainability and growth of a business enterprise. A detailed plan can provide a roadmap to a business that can be applicable beyond the initiation period.

While developing a business plan, it is important to consider several aspects. At first, the background and the suitability of the market for the business idea are required to be investigated well. Several other macro factors are required to be considered in the development of a business plan. The important macro factors include market trends, market competition, and economic conditions (Salem and Čavlek, 2016). With the help of a thorough analysis of those macro factors, the business plan should include strategies on how to face challenges coming from those macro factors.

The mission, vision, goals, and objectives of the business are also required to be set at the very beginning of the planning stages (Abrams, 2019). Later, the target audiences are required to be set. To select the audiences with the utmost accuracy, it is important to carry out a market survey. Taking the help of the existing databases also can help in finding the target market. Aside from those, a good business plan should also include a thorough financial plan including investment sources, sales forecast, cost strategy, revenue streams, and break-even analysis (Mcadams, 2017). A well-developed financial planning can improve the chance of getting investment from the investors. Finally, a perfect business plan should include an analysis of the legal obligations and legal factors associated with the business.

As it can be observed, developing a business plan can be very complex. To satisfy the complex issues and requirements, a lot of data and information are required to be considered. This thesis focuses on collecting and analyzing the necessary data and information from a range of sources to develop the business plan. It is expected that this thesis will result in a well-rounded business plan for a sustainable and progressive operation.

1.1 Business Context

The core business idea is to start an online ready-made garments shop in Finland. The business operation is to be carried out from the Capital city of Helsinki. Thus, the management of the supply chain and delivery throughout the country is supposed easier and more effective compared to running the same business from another city in Finland. The products offered by the business can include different ready-made garments. The key offerings and the target customers have been set after carrying out the market research.

The core idea is that the new business will source its products from Bangladesh. Sourcing ready-made garments from Bangladesh offers a compelling advantage for a new clothing business. The country has established itself as a global hub for apparel manufacturing due to its cost-effectiveness, skilled workforce, and efficient production processes. With competitive labour costs, Bangladesh provides affordable yet high-quality products, enabling new businesses to maintain attractive price points. Currently, According to the World Statistical Review 2023 by WTO, Bangladesh ranks second in garment exports as a single country with apparel exports of \$45 billion in 2022 (Zaman, 2023). Additionally, the adherence of the industry to international standards ensures compliance with quality and safety requirements. The well-established infrastructure and experienced workforce streamlined production of Bangladesh is expected to reduce the lead times for faster market entry. Choosing Bangladesh as a sourcing destination not only supports cost-effectiveness but also aligns with ethical and sustainable practices, contributing to the growing demand for responsible supply chains in the fashion industry.

Opting for online retailing is a strategic move for a ready-made garment retailer due to its vast reach and convenience. Online platforms transcend geographical constraints, tapping into a global customer base. The digital landscape allows retailers to leverage data analytics for targeted marketing and personalized customer experiences. With 96% of residences having access to the Internet, Finland is a great choice to start an online retailing business (Statista, 2024). With the rising trend of e-commerce, consumers increasingly prefer the ease of browsing and purchasing from the comfort of their homes. As per Chevalier (2022), online retailing is growing around 9% per year across the globe. Embracing online retailing not only enhances accessibility but also reduces operational costs associated with physical stores. This prudent choice aligns with evolving consumer behaviours, ensuring a competitive edge in the modern retail landscape.

1.2 Business Challenge, Objective, and Outcome

The business is expected to provide many benefits to the customers and the business process should also be very effective. However, there are many challenges to this business. Firstly, intense competition demands effective differentiation in terms of unique designs, quality, and customer service. The clothing market in Finland is already competitive and saturated. Cutting in the market requires a lot of effort to be provided strategically. Managing inventory and ensuring accurate product descriptions online is critical to avoid customer dissatisfaction and returns. Logistics pose challenges, including shipping costs and timely delivery, influencing customer satisfaction. Cybersecurity concerns, such as data breaches and payment fraud, require robust measures to protect customer information. Additionally, staying abreast of rapidly changing fashion trends necessitates agility in inventory management (Kar, Sorsa and Tiwari, 2020). Furthermore, aligning with the changing demands of the customers is a great challenge. Lastly, establishing a reliable online presence demands strategic digital marketing efforts to cut through the noise in the highly saturated e-commerce landscape.

The objective of this thesis is *to develop a business plan to set up an online apparel store based in Finland.*

The outcome of the thesis is *a business plan to set up an online apparel store in Finland.*

1.3 Thesis Outline

The whole thesis has been developed in seven sections. First of all, the introduction section introduces the thesis. The second section sets out all the methods and materials used in the thesis. The third section accumulates the existing knowledge and best practices of business plan development to set out a theoretical framework for the thesis. The fourth section focuses on finding specific information from the Finnish perspectives that help develop the business plan in the form of a current state analysis. This section is based on market information and primary data collected from customers in the form of interviews. The fifth section includes a detailed business plan for the proposed business. The sixth section validates the proposed business plan based on primary data collected through interviews with industry experts. Finally, the seventh section concludes the thesis.

The thesis focuses on the apparel retail market of Finland. The scope of the thesis includes the ready-made garments market and e-retailing of Finland, and the Bangladeshi garments industry. The thesis also investigates different aspects of an e-retailing business to form a comprehensive business plan. The elements of the business plan are to be set based on already existing theories and models. The draft proposal is to be developed based on current state analysis which focuses on amassing knowledge on the market and the industry from thesis papers, news articles, journal articles, industry reports, online databases, and interviews with customers. Later, the proposed business plan is to be validated with the help of primary data collected from experts in the form of interviews.

2 Method and Material

To develop the business plan, everything needs to be backed up by valid data and information. Here below, the research approach, design, and data collection and analysis techniques have been demonstrated which are used in finding and analyzing the required data and information.

2.1 Research Approach

There are several broader research families or types. Research can be categorized into basic and applied; basic research seeks to expand theoretical knowledge without immediate practical applications, while applied research aims to address specific real-world problems (SLAVIN, 1978). Next, research methods can be either qualitative, quantitative or a mixture of both. Qualitative research provides in-depth insights into human behaviour and perceptions, often through methods like interviews and focus groups (Gelsthorpe, 2019). Quantitative research employs numerical data and statistical analysis to identify patterns and relationships (Goodwin, 2020).

Research can be conducted in the field (real-world settings) or at the desk (using existing data). While carrying out field research, the possibility of finding new insights is high. Aside from that, the field research type also offers more customization and more control to the researcher (Burgess, 2015). While desk research cannot go beyond the boundary of existing data and information, this research technique can help reduce cost, time, and resource requirements (Czarniawska-Joerges, 2014). This technique can also help cover a comprehensive analysis of existing information, including industry reports, market studies, and government publications, without the need for primary data collection. On the contrary, conducting primary research involving data collection through interviews, or experiments can be resource-intensive. Primary research can involve, for example, interviews to collect data especially needed for this particular scenario. Thus, more prominent and effective data can be collected for the topic (Stewart, 2020). A desk study, on the other hand, leverages existing data and literature, reducing the need for additional financial resources (Stewart and Kamins, 2020). A desk study provides access to a wealth of comprehensive and reliable information that may not be feasible to collect through primary research methods (Cantista and Delille, 2023).

The chosen research strategy for this study is a desk study and interviews. The desk study involves the systematic examination of existing data and literature related to the subject matter.

The key advantage is the cost-effectiveness and efficiency of utilizing readily available information. The thesis includes a literature review, document analysis, and comparative analysis. The thesis also includes interviews with potential customers and two industry experts in launching start-ups.

A literature review is conducted to identify and synthesize relevant information from academic journals, industry reports, and government publications. This provides a theoretical foundation for the business plan, incorporating insights from the global garment industry to local market dynamics. Comparative analysis has been utilized to find out the requirements of developing and operating an e-retail clothing business by evaluating the industry players. This method facilitates understanding the requirement of capital, the possible cost structure, and the possible revenue by comparing and contrasting the performance of different businesses already existing in a similar context. A comparative analysis provides the opportunity to explore deeply. While the interview ensures both-ended communication. Thus, the problems related to the business plan can be reviewed and solved. By synthesizing information from various sources, this thesis has been able to explore market trends, consumer behaviours, regulatory landscapes, and competitive dynamics, ensuring a comprehensive business plan.

For this business plan development, a qualitative analysis was utilized. Qualitative methods is helpful to understand the consumer preferences, compare against the standards of existing businesses, and draw feedback from the industry experts. The design aligns with the thesis goal of developing a business plan for an e-retailing venture importing ready-made garments.

2.2 Research Design

It is important to have a research design that can guide the thesis activities. To effectively carry out the thesis, a complete design has been developed. Figure 1 shows the research design that was followed during this thesis.

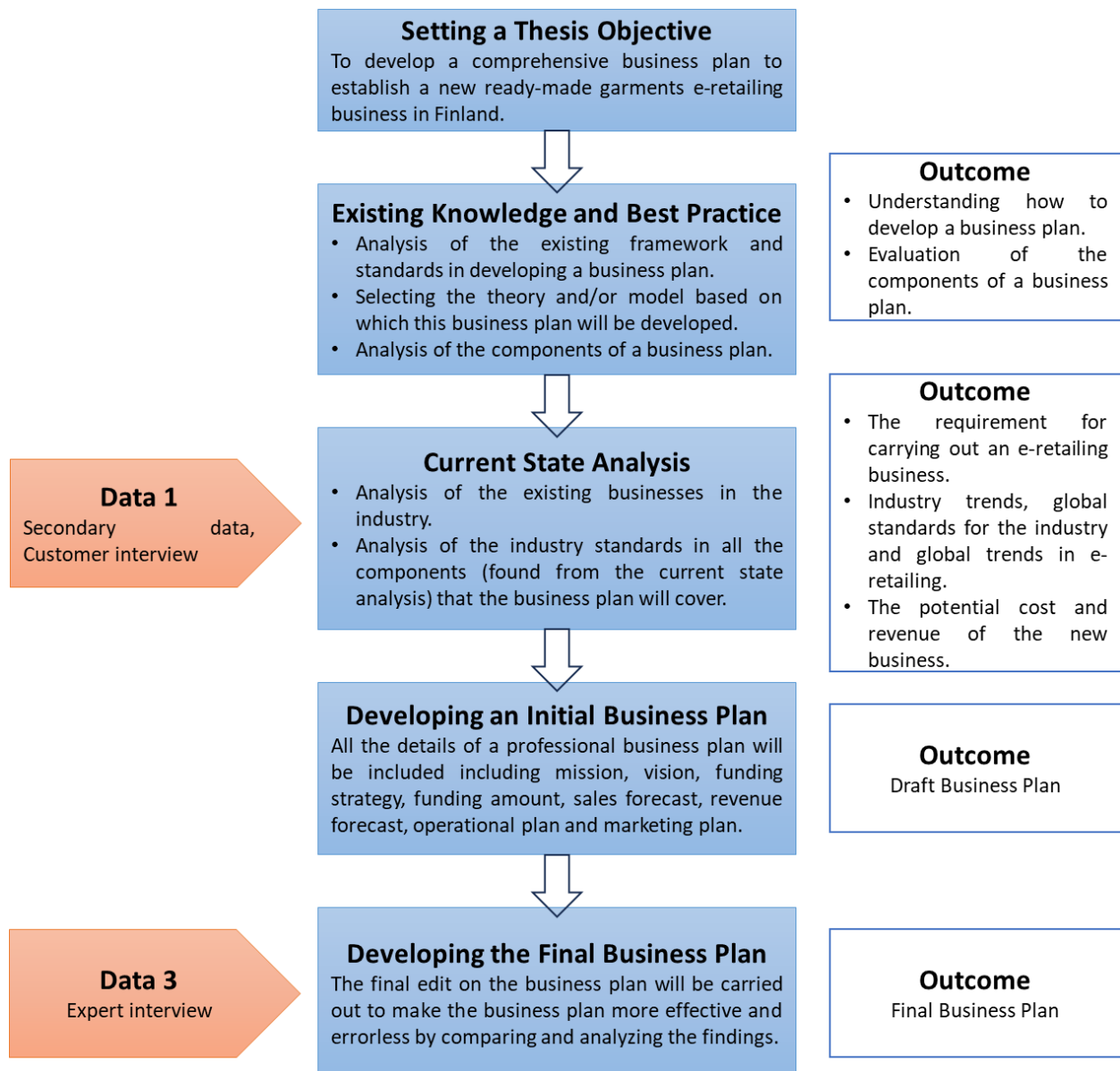


Figure 1. Research design for the thesis.

As can be observed in the figure, the thesis has been carried out in five stages. First of all, it is about setting a core objective. The objective of the thesis is to help the thesis develop a business plan.

The next stage of the thesis is exploring the existing knowledge and best practices in developing a business plan. The business plan development is explored with the help of the theories and models for business development.

The third stage is the current state analysis. The main target of this stage is to gather as much realistic information as possible about the financial, marketing and management of similar businesses of ready-made garments market in Finland based on the findings from the existing knowledge and best practices analysis. This stage also includes interviews with the customers. A total of six customers in Finland were interviewed with a detailed questionnaire added in Appendix 2. The findings from the current state analysis including the initial interview with the customers are crucial for the development of the business plan. Their input has been very important in the development of the draft business plan.

The fourth stage is the draft business plan. The business plan includes professional detailing. The essential sections and components of a business plan are ensured in the business plan. The financial, management, and marketing operations of the businesses are defined. This stage yields an initial proposal for the business plan.

The final stage is focuses on finalizing the business plan. To do so, an interview with the industry experts was carried out. With the inputs from the interview, the final changes in the draft business plan were made during this stage. Thus, the final business plan was developed.

As the thesis design demonstrates, the whole work for the thesis is a process that has been carried out part by part and in a strategic manner. This thesis design helped to keep track of the thesis activities and thus yield a perfect business plan.

2.3 Data Collection and Analysis

As the thesis employed desk study, hence a range of secondary sources was collected and analyzed from the literature, such as document analysis, and comparative analysis. Apart from that, there are two phases of interviews. Customers were interviewed in the first phase, and in the second phase, industry experts were interviewed. Here in Table 1, a summary of all the sources that have been used is demonstrated.

Table 1. Data collections for this thesis.

	Participants/role	Data type	Topic, description	Date, length	Documented as
	<i>Data 1, for the Current state analysis (Section 3 or 4)</i>				

1	Potential customers	Interview	Understanding customer expectations, market trends, and common practices	2 weeks, to be ended by March	Word document
	Data 2, for Proposal building (Section 5)				
	Data 3, from Validation (Section 6)				
2	Industry experts	Interview	Comparison and analysis of the findings to validate the business plan		Word document

The current state analysis is macro environment focus. Hence, industry-specific and broader data and information were collected for the stage. With the help of industry reports, journal articles, and web databases the financial, management, and marketing operations of the businesses were understood through this stage. Thus, the development of the capital structure, fund requirement, revenue stream, and cost budget are very realistic for the business plan. While, the interview with the customers provided insights into customer expectations, demands, and industry trends.

By critically analysing and evaluating the findings from both primary and secondary sources, a set of questions for the interview with the experts was developed. The experts provided their perspectives and take on the business plan. In the process, the interpretation of the market information and customer interview data were also revised and validated by the experts. Thus, an impeccable and comprehensive business plan has been yielded.

3 Existing Knowledge and Best Practices in Business Plan Development

This section focuses on available knowledge and best practice on business plan development. Business plans can be comprehensive, hence, a lot of areas are required to be covered in a business plan.

3.1 Approaches to Business Plan Development

There are different perceptions and ideas about how to develop a business plan and what to include in a business plan. In his author, Carl Schramm (2019) an economist and entrepreneur himself, argued that a detailed business plan is actually counterproductive. As per his suggestion, entrepreneurs should opt for operating on intuition and adaptability and should have the willingness to take risks. However, Abrams (2019), an entrepreneur and business writer argues that behalf of detailed business plans provide a complete roadmap for success. Most of the other authors and writers are also in support of having a comprehensive business plan. Before jumping into the theories and models for business plan development, this section discusses the standards applicable to the development of a business plan.

Customer-centric approach is a commonly used business plan development technique of the modern time (Gupta and Ramachandran, 2021). This ideology focuses on understanding and placing on the customers. Business Model Canvas by Osterwalder and Pigneur (2010) advocates the idea of including customer segments, value propositions, channels, and customer relationships within the core elements of a business plan. Following this ideology, businesses become capable of creating compelling value propositions and thus ensure sustainable competitive advantages.

The lean startup methodology is a frequently used startup planning approach. This methodology focuses on iterative development, rapid prototyping, and customer feedback loops, and thus guides towards developing a minimum viable product (MVP) and adapting the business models based on real-time market responses (Mansoori, Karlsson and Lundqvist, 2019). This methodology of business plan development underscores the importance of being responsive to market dynamics and responses. Flexible business plans are expected while someone is following this methodology.

The contemporary business planning standards include technology and digital strategies at the core (Paskova, 2021). As businesses must have to use technologies to stay competitive and stay relevant in the market, it is important to include technology plans and technology strategies while developing the initial business plan. As per Abrams (2019), a business plan should have a section dedicated to the use of technologies within the business.

Sustainability and social responsibility have been important business issues over the last few years. Customers want more actions from businesses about protecting the earth and taking care of the stakeholders. As per Oláh et al. (2018), the incorporation of sustainability and social responsibility are important parts of a new business plan. Businesses should keep a part of their plan and operations dedicated to the environmental, social, and governance (ESG) factors. Integrating those issues in a business plan helps a business to enhance brand reputation and resilience for the future amid growing environmental and social challenges.

Risk management and contingency planning are a core part of business planning in the contemporary days (Schwetje and Vaseghi, 2018). While developing a business idea and then getting done with a business plan, entrepreneurs need to consider the risk factors, assess them, and have a plan to mitigate or avoid them. The spread of the COVID-19 pandemic has highlighted the importance of planning for unwanted and unprecedented scenarios and building resilience into the business models to perfectly navigate through such challenging situations.

The agile principle, which is commonly used in software development, has well-aligned applications in business plan development (Shamsuzzoha, Kyllönen and Helo, 2009). An agile mindset encourages values like quick adaptability, responsiveness, collaboration and attention to excellence. In the current world, where everything is changing rapidly, it is important to be adaptive and capable of collaborating with the stakeholders. Developing a business plan based on agile principles can help adjust the strategies quickly in response to market trends and feedback.

Advanced financial modeling and the use of key performance indicators (KPIs) are said to be important parts of a business plan development (Mc-adams, 2017). Financial plans and KPIs work as guidelines for the actualization phase of the plan as the actual performance can be measured and compared against the financial expectations and KPIs. Aside from that, financial plans and KPIs also help a business to secure investment or debt which are essential in financing the plan. A detailed financial plan should include projections about capital requirements, potential revenue and costs for the first few years.

As this discussion unfolded, it is pretty clear that modern-day business planning is more dynamic, customer-centric, and technology-integrated, while the focus on sustainability, social responsibility, and risk management should also be prioritized. To ensure efficient operations considering all those issues, agile methodology is the best-suited approach to developing a business plan. Ensuring those discussed elements would improve the adaptability, resilience, and overall strategic success of a business plan.

3.2 Available Theories and Models of Business Plan Development

Developing a business plan to make sure that operates efficiently in the dynamic environment requires attention to a lot of details. Based on the core ideas, values and resources, a business plan should be developed. A business plan needs to consider a range of issues in it. To find out what to include in a business plan, some relevant theories and models have been discussed below.

First of all, the SWOT (Strengths, Weaknesses, Opportunities, Threats) is an easy to understand and very relevant strategic planning tool for a new business plan. It considers the internal strengths and weaknesses, and external opportunities and threats present in the market environment (Vanek, 2022). Thus, in consideration of those four issues, the formulation of business strategies becomes easier and more effective. SWOT analysis can be a great tool to develop some strategies and planning for a new business, however, a business plan cannot be wholly based on a SWOT analysis.

PESTLE (Political, Economic, Social, Technological, Legal, Environmental) analysis is a strategic analysis tool used for the analysis of the external environment (Feys, 2020). Every business is influenced by the external environment, hence those macro factors included in the PESTLE analysis are crucial to be considered. It helps understand the broader forces shaping the industry and identifies potential risks and opportunities for the business. Thus, formulation of required strategies becomes easier. Like SWOT analysis, PESTLE analysis can also be used for partial development of a business plan.

Porter's Five Forces framework, developed by Michael Porter, is a framework for analyzing the competitive intensity and attractiveness of an industry. The factors covered by this framework include the bargaining power of buyers and suppliers, the threat of new entrants, the threat of substitutes, and the intensity of rivalry among the competitors (Burns, 2014). This framework also

provides good coverage of the market competitiveness area and with the help of this framework strategies for a better competitive edge in the market can be developed.

Blue Ocean Strategy is another approach regarding the development of the core value of a business. The core idea is to differentiate the new products or services from competitors and create new demand (Mebert and Lowe, 2017). The main focus is on innovation and value creation rather than competing as another competitor in the already crowded market. This strategy can help a business to plan its offerings and strategies in novel ways. Business Model Canvas is a visual framework that includes key aspects and stakeholders of a business model. There are nine blocks in the visual of a business model canvas each for key activities, key resources, value propositions, customer segments, channels, customer relationships, revenue streams, cost structure, and partnerships (Vial, 2016). The business model canvas is a detailed framework for communicating business models and business plans. Apart from financial planning and risk mitigation strategies, other necessary details of a business plan are covered in a business model canvas.

As one element of the business model, the Value proposition canvas also guides the development of a business plan. This canvas was developed by Osterwalder (2014) and it focuses on ensuring a fit between the product and the market. This is a tool for developing and shaping the core product for a business as it helps in understanding customer needs, pains, and gains and aligning the value proposition along with the customer preferences to create a compelling offer for the market (Mansfield, 2019).

Talking about risk mitigation strategies, scenario planning is a tool for the purpose. Scenario planning creates multiple possible future scenarios based on different uncertainties, assumptions and risk factors and then encourages planning for those events (Wade, 2012). It helps a business to be prepared for different unwanted situations and be capable of operating through odds. This tool helps a business to be more robust and sustainable amid the changes and challenges in the external environment.

The Resource-Based View is a strategical framework that helps to determine the strategic resources a business can exploit to achieve sustainable competitive advantage (Madhani, 2019). For example, when a business has the opportunity to access low-cost production and the ability to produce unique products that can be sold at a premium price, the business should go for the unique product. Since operational sustainability of a business comes with uniqueness and hard-to-imitate products.

As different theories and models have been discussed here, it is clear that there are a lot of theories and models that guide specific parts of the value creation or plan development. Out of them, the business model canvas is comprehensive in nature and provides a good guideline for the development of a business plan. Hence, the business model canvas is to be integrated as the conceptual framework for the development of a business plan.

3.3 Details of the Business Model Canvas

The Business Model Canvas is a strategic management tool developed by Alexander Osterwalder (2004) in his doctoral thesis and further refined in collaboration with Yves Pigneur. It provides a visual framework for describing, analyzing, and designing business models. There are nine building blocks in a business model canvas which have been discussed below for developing a better understanding of the model. Figure 2 demonstrates the blocks of the business model canvas.

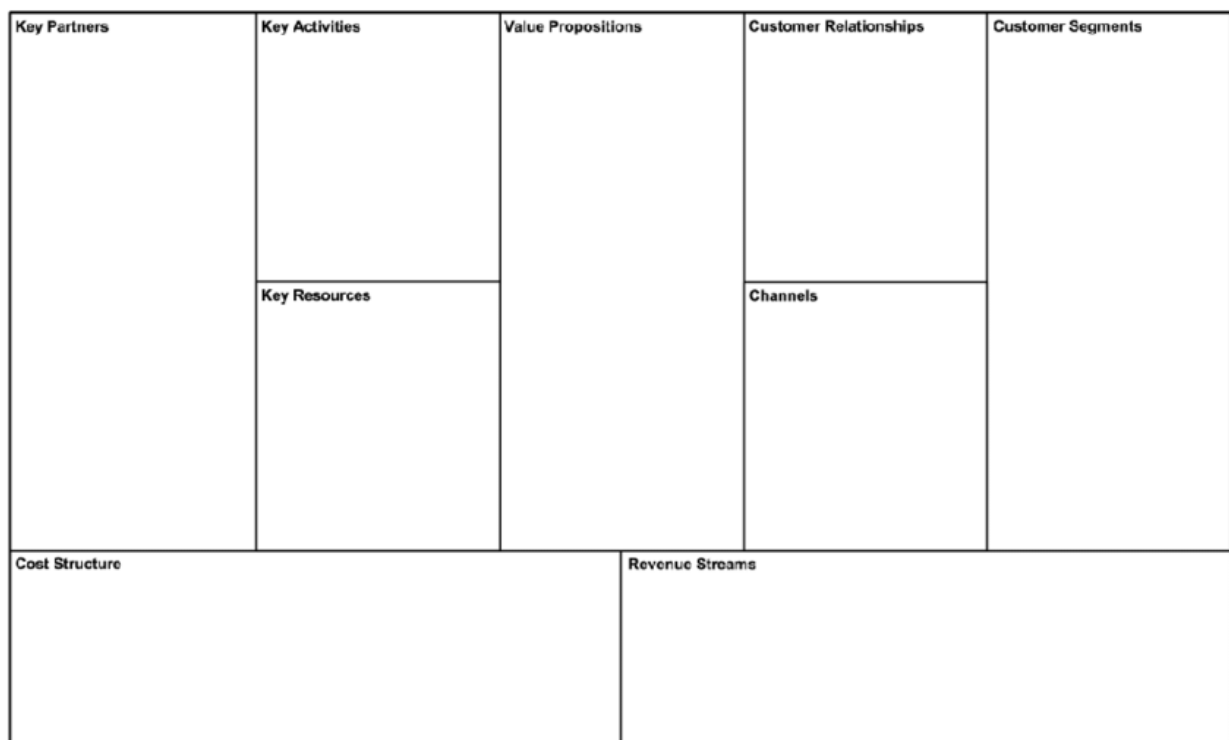


Figure 2. The Business Model Canvas (Osterwalder and Pigneur, 2010)

3.3.1 Customer Segments

Putting the customers at the beginning of the priority list demonstrates the customer-centric approach encouraged by the model. This block is about identifying the customers that the business is going to target. When the target customers are considered at first, it opens up the scope to consider the preferences and needs of the target customers to tailor the core values of the business to the preferences and needs of the customers. When such a customer-centric approach is taken, the value proposition is expected to be developed in a way that serves the customers best. In modern times, considerations like sustainability, ethical sourcing, and environmental protection are important values that are connected to all customer segments (Brodie, Löbner and Fehrer, 2019). Aside from that, understanding customer perspectives also helps differentiate the business in the market and follow the blue ocean strategy.

While following the model for customer segment development, it is important to consider that business model canvas only asks for a static picture while it is important to adapt over time, and target newer customer segments or go to a niche by cutting down some segments from the target group. It is also important to have a detailed thesis and analysis before selecting the customer groups as the business model canvas does not ask for any detailed examination or guide to specific analysis procedures while selecting the customers (Goethals, 2011). Hence, while developing the customer segments as a part of a business plan, those issues are required to be considered.

3.3.2 Value Propositions

This block of the business model canvas asks for the values the business is going to offer that customer. Clarity in the value offering is required both inside and outside of the organization. In a good business plan, the value proposition is expected to reflect the customer's needs and preferences (Sheth, 2019). By setting the value propositions early, the development of a business plan is made easier as everything surrounds around the value propositions. Thus, the development of the operations plan and the marketing plan get easier.

As the business model canvas is mainly a visualization tool, it provides a static picture of everything. Hence, the adoption and development of new values over time are ignored by the model. Hence, the plan might fail to include the initiatives for future innovation and development. This would reduce the scope for future developments and thus make it harder for the business to stand out in the competition. The model also does not provide any standard process or guideline

to set the value proposition. Hence, it is important to have enough research and understanding while developing the value proposition for a business (Storbacka and Nenonen, 2011). Otherwise, the relevance of the plan can be meager in the context of real-life operations.

3.3.3 Channels

In this block, it is required to set how the business is going to reach its target customers. A business can opt for a single channel or utilize multiple channels to reach customers. Choosing multiple channels helps reduce the risk by reducing the dependency on any single channel or platform (Verhoef, Kannan and Inman, 2015). While developing this block, it is important to consider the customer preferences. Aside from that, the consideration of scalability is also important.

While going for multiple channels to ensure diversity and reduce the risk of solo channel dependency, sometimes redundant channels might be selected. In such cases, extra costs can occur without adding extra benefits. It is also important to keep the option for switching and updates on the channels. With the technology disruptions, the suitable channels for businesses keep changing all the time (Matt, Hess and Benlian, 2015). Business needs to adapt and update their technology usage to stay relevant amid competition and serve the values that the customers want.

3.3.4 Customer Relationships

Business model canvas ensures a customer-centric focus to understand and develop the whole business model based on the customer needs, preferences, and expectations which ultimately foster stronger relationships with the customers (Kumar, 2020). This part of the business model also requires to set the customer engagement strategies. The customer relationship strategies and customer retention strategies are part of this block. A strong relationship with the customers can encourage easy flow of feedback which creates a loop for continuous improvement.

Strong customer relationship is often expected and preferred. However, costs can go up while maintaining a strong customer relationship and make it unprofitable to maintain a strong relationship (Kulmala, 2004). The focus on a customer-centric approach also can lead to over-personalization. Hence, a balance between personalized interaction, customer privacy and boundaries should be maintained. A strong focus on existing customers sometimes bars

acquiring new customers and sometimes becomes problematic when a business acquires new customers. Since such effort and resources might not be invested in a larger customer group.

3.3.5 Revenue Streams

The business model canvas requires a business model to set its revenue streams. There can be one or multiple revenue streams, having more than one is always better as it provides financial stability and reduces associated risks (Carter, Gartner and Reynolds, 2020). By encouraging multiple revenue streams, the business model canvas encourages innovation and helps to leverage income-generating options like franchising, incensing, collaboration, and consulting. There are multiple pricing options to opt for. Out of them, value-based pricing is the most used and suitable for a new business. Value-based pricing ensures that a business is paid based on what it creates.

However, it is also important to consider that the pursuit of multiple revenue options can increase the complexity of the operations. Aside from that, the customers also can get confused by the key value a business is selling. Sometimes, it is important to cut off some revenue streams to ensure the maximum efficiency of operations and maximum profitability (Bowman, 2014). While using the business model canvas for modeling a business, it is important to be strategic with the revenue streams.

Planning the revenue streams is a crucial part of business planning, special attention should be paid to cost and revenue projections for business plan development.

3.3.6 Key Resources

The canvas prompts businesses to identify the key resources necessary to deliver their value proposition effectively. By identifying key resources, businesses can focus on leveraging their core competencies and unique strengths. The canvas encourages businesses to prioritize resources based on their importance and impact on the business model. Identifying scalable key resources lays the foundation for scalability and growth. Thus, it becomes possible for a business to expand operations, enter new markets, or serve larger customer segments without proportional increases in resource investment, facilitating sustainable growth and expansion over time (DaSilva and Trkman, 2014). Key resources act as the foundation of a new business.

The static nature of the canvas may not fully capture the dynamic nature of resource needs. Business resource requirements can evolve rapidly due to changes in market dynamics, technological advancements, or competitive pressures. Businesses may become overly dependent on certain key resources, such as technology, talent, or supplier relationships. It is important to be aware of those considerations while sticking to the business model canvas for the development of a business plan.

3.3.7 Key Activities

This block focuses on selecting the key activities that help to achieve the business objectives. The key activities are directly connected to the value creation and value delivery to the customers. Setting out the key activities helps develop the operations plan for a business. By focusing on activities that drive the most value and impact, businesses can eliminate inefficiencies, reduce waste, and improve overall operational performance, leading to cost savings and enhanced competitiveness (Grönroos, 2012). Thus, key activities provide the foundation for scalability and growth.

Sometimes, a business plan can ignore the non-core or support activities. Thus, the operations of a business can get hampered. The static nature of the business model canvas can lead to limited flexibility. Businesses are required to change their key activities to adjust to the changes in the external environment and with the changes in the value offerings and operations size. Hence, it is important to be flexible with the key activities or at least keep the scope to adapt and adjust the key activities.

3.3.8 Key Partnership

Key partners are the providers of the resources, expertise, and capabilities that a business requires to deliver the promised values. The selection of the partners comes at the end of the business plan development as the partners are selected based on the target customers, value offerings, channels, key activities and key resources (Konsti-Laakso, Pihkala and Kraus, 2012). A business can leverage its partners to strengthen itself and get competitive advantages in the market. Careful selection of the key partners can help a business to serve the promised value in the desired way.

Sometimes, a business can be overly dependent on its partners if it does not grow its capability over time. Aside from that, a business also can lose control over a part or full of its operations if

it fails to manage the partners in the desired way (Hoecht and Trott, 2006). Hence, it is important to focus on growing own capacity along with maintaining good partnerships with the partners.

3.3.9 Cost Structure

The canvas prompts businesses to identify and analyze their cost structure, providing transparency into the various expenses incurred to operate the business. For setting up cost structure, forecasting, and budgeting are the most common techniques. Cost planning goes beyond numeric anticipation and projection of the costs and includes implementing cost-saving initiatives, negotiating favorable terms with suppliers, and optimizing operational processes to minimize costs while maintaining quality and performance standards (Kuula, Haapasalo, and Tolonen, 2018). Those efforts help a business remain profitable and have sustainable finance.

The main challenge regarding cost planning is new cost items keep revealing when a business goes into real-life operations. Aside from that, a high focus on cost-cutting can lead to a trade-off with quality. It is important to ensure thorough financial analysis, risk assessment, and continuous monitoring to ensure that cost management strategies are effective, sustainable, and aligned with overall business objectives. Cost planning bears a lot of importance in developing a business plan along with revenue planning.

3.4 Cost and Revenue Projections in Business Plan Development

Cost and revenue projections (Financial projections) are key to the success of a business plan. The financial projections and planning offer numbers to look at and a road map to follow. With the help of financial projections, the future financial health and sustainability of a business venture can be understood. Hence, the investors and the lenders focus on the financial projections at first. Hence, there is no alternative but to develop a well-detailed financial plan. In the below, with the help of some existing knowledge and literature, the important and must-have parts of financial plans are sought.

Berman, Knight, and Case (2008) thoroughly discussed financial planning for entrepreneurship. They emphasized the importance of financial planning and budgeting for entrepreneurs, including the use of financial ratios as performance metrics. They also discussed different cost-controlling mechanisms which mainly include monitoring and controlling expenses. They also highlight the importance of optimizing revenues by improving performance, the importance of cash flow

forecasts and working capital management. The authors focused on to improve the financial skills of entrepreneurs, it also provided a guideline on what to include in a complete financial plan for a business.

Alexander (2018) covered different sides of financial planning, analysis and management, as well as financial management techniques like budgeting and forecasting. The discussion includes different budgeting and forecasting techniques including zero-based budgeting, activity-based budgeting, and rolling forecasts. The author has discussed how financial KPIs are important to identify the strong areas of a business and find out the areas for improvement with the help of data-driven decisions. The book includes a discussion on the concept of variance analysis, which involves comparing budgeted or expected performance to actual performance. The book also includes a discussion on risk management and investment decision-making. Overall, the key concepts, techniques, and best practices in financial planning, analysis, and performance management are discussed eloquently in the book.

Tracy and Tracy (2007), have discussed the financial modeling and financial management tools relevant to financial management and planning. They argue that the profit and loss statement as it helps keep track of profitability and helps control expenses. They discuss the cash flow forecasting model as it helps businesses to manage their cash flows and ensure the businesses do not run out of working capital. While, break-even analysis is said to be an important analysis, especially for new businesses as it determines at which level of sales, a business requires to avoid losses. Avoiding loss is the first priority for a new business. With the break-even analysis, the endurance and future sustainability of a business can be understood. Financial ratios are said to be great indicators of the performance, liquidity, solvency, and efficiency of a business. They urge using them as performance and financial health indicators. Tracy and Tracy (2007) believe that the sales, expenses, capital expenditures, and cash flow of a business should be budgeted. Budget is an amazing tool for monitoring and evaluating the performance of a business.

These theories and models for financial planning that can guide towards the development of a financial plan for a new business. If summarized, cash flow forecast, budgeting, financial ratios, financial KPIs and break-even analysis are the key tools for the financial planning of a new business. To cover things up, a business plan can contain budgeting, break-even analysis, and financial ratios as KPIs. Thus, comprehensive financial planning can be developed for the business.

3.5 Conceptual Framework of the Thesis

A range of theories, models and frameworks have been discussed in this section to guide the details of a business plan development including its financial planning. With the discussion and analysis, some focus areas have been set for the business plan. First of all, the design of the business plan is customer-centric. Everything that is planned for the business is planned in a way that helps serve the best value for the customers. Considering the volatility of the current business environment and the possible disruptions, the principles of agile methodology should be upheld in a business plan, so that it becomes easy to adapt and change in accordance with the market demand and customer expectations. Second, the business model canvas is followed as the basis for the business plan development. Table 2 summarizes the components of the business model canvas that can guide the development of a business plan.

Table 2. The Relevant Components of Business Model Canvas for an Apparel Retailer.

Key Partners: <ul style="list-style-type: none"> • Suppliers • Logistics Partnerships • Technology Partnerships • Service Providers • Strategic Alliances 	Key Activities: <ul style="list-style-type: none"> • Sourcing and Procurement • E-commerce Operations • Marketing and Promotion 	Value Proposition: <ul style="list-style-type: none"> • Ethical and Sustainable Sourcing • Quality • Affordable Pricing • Convenience • Trendy and Fashionable • Personalization 	Customer Relationships: <ul style="list-style-type: none"> • Personalized Engagement • Transparency and Trustworthiness • Feedback and Improvement • Responsive Customer Support 	Customer Segments: <ul style="list-style-type: none"> • Baby Boomers • Millennials • Gen Z • Fashion-Conscious Consumers • Sustainability Conscious Consumers • Online Shoppers • Price Sensitive Customers • Quality Sensitive Customers • Luxury Customers
	Key Resources: <ul style="list-style-type: none"> • Suppliers Relationship • E-Commerce Platform • Human Resources • Technology Infrastructure • Brand Identity and Intellectual Property 		Channels: <ul style="list-style-type: none"> • E-commerce Website • Social Media • Mobile App • Omnichannel integration 	
Cost Structure: <ul style="list-style-type: none"> • Supply Chain Cost • Technology Cost • Marketing and Advertising Costs • Operations Cost 			Revenue Streams: <ul style="list-style-type: none"> • Product Sales • Subscription or Membership Fees • Partnerships and Collaborations • Licensing 	

Table 2 shows relevant components for each block of the business model canvas. As for the necessary detailing of the business plan, of contents of the business model canvas are followed. The business model canvas mainly focuses on the perspectives of business management. Hence, Ojasalo and Ojasalo (2018) suggest to consider customer feedback for the development

of each block. The business model canvas also has a perspective on the financials of a business financial planning includes tools like budgeting, financial ratios, and break-even analysis.

As the business model includes components that are also relevant for building a business plan, it will be used as guidance its building. Now, based on these components, the current state analysis is carried out in the next section.

4 Current State Analysis of the Market Conditions for a New E-Retailing Business of Ready-made Garments in Finland

Before the development of the business plan can be done, the analysis of market conditions is conducted with both primary data (customer interview) and secondary sources, to prepare for the business development.

4.1 Overview of the Current State Analysis

The current state analysis of the market conditions is working as the base for the business plan to be developed. The current state analysis is expected to capture everything required for the business plan development. At first, it focuses on having an overview of the Finnish Ready-made garments market. The later discussion focuses on having an understanding of the components of the business plan which comes in the form of a business model canvas. Finally, the summary of the current state of the market conditions for a new retail business is added.

4.2 Overview of the Finnish Ready-made Garments Market

Clothing and garment products are part of everyday lifestyle and consumption of clothing can vary greatly based on the purchasing power of the buyers. When talking about the purchasing power of the buyers, Finland is one of the top nations with a massive per capita GDP of USD 50,537 which ranks the country 15th highest in the world (World Bank, 2022). With the available facilities for education and human development, Finland has one of the most aware and conscious customer bases. If an idea is good and beneficial for the stakeholders, the business is expected to do well in Finland. Values like sustainability and ethical sourcing of the products are likely to attract Finnish customers strongly. Finnish consumers are increasingly inclined towards eco-friendly and ethically sourced products (Hirscher, Niinimäki and Joyner Armstrong, 2018). including those values in a new business can be greatly helpful in resonating with customers.

The apparel market size of Finland is \$4.45 and the annual growth rate is 1.11% (CAGR 2024-2028) (Statista, 2024b). The ready-made garments market in Finland has witnessed a significant shift towards e-retailing in recent years, especially since the outbreak of COVID-19 (Statista, 2024c). Clothing retailing in Finland is turning more towards e-retailing as the customer's convenience, accessibility, availability of extensive product offerings, and transparency of pricing.

The e-commerce industry in Finland is growing constantly. As of 2023, the e-commerce sector in Finland is estimated to be \$8 billion and has a compound annual growth rate (CAGR) of 4.4% underscoring the potential for success in the online retail space (ecommercedb.com, 2023). The future of the e-retail looks bright as the nation has high internet and social media penetration. 96% of Finnish consumers have access to the Internet, creating a substantial market for e-retail businesses (Clausnitzer, 2024). While, 80.4% of the population are using social media (Kemp, 2024). Diverting internet users and social media users into digital sales channels is just one click away. As the majority of the Finnish have internet access and use social media, it is expected to be easier to attain a higher number of customers with proper strategies and marketing plans.

The market information discussed above shows a positive image of the Finnish ready-made garments and e-retailing market. Hence, it can be said that the core idea of the business plan is justified and if executed properly, the idea can generate a return for the entrepreneurs and investors.

4.3 Customers' preferences and expectations

Based on the interview responses of the customers, some key ideas about customer preferences and trends have been found. First of all, it has been found that customers prefer to look at a lot of things while making purchasing decisions from a brand. Those considerations include sustainability, employee wellbeing, quality products, and pricing of the products. The preferences between online and offline purchasing behaviour totally depend on the available time and macro-environmental factors. Flexibility, easy return, and transparency are the values of online retailers that most of the customers prefer.

Most of the customers are committed to the same brands, because brand loyalty provides them with a perceived idea about the pricing and quality. Thus, the overall experience becomes smooth while buying from the same brand repeatedly. In the beginning, customers mainly visit a new store to compare the products with the existing stores. Pricing is a key point of consideration while buying clothing items. Regardless of disposable income, customers want to ensure the right amount for the right value.

Being concerned about the future of the world, the customers consider sustainability and ethical sourcing with important. With increased awareness more and more customers are likely to consume less and less. Social media is said to be the key source of communication about product

offerings and others. Bangladesh is known to customers for its cheap labour and large garment production. However, the customers are okay with the quality of Bangladeshi products which demonstrates the potential of the proposed business. Overall, there were some recommendations that were made to improve the plan. Thus, some insightful understandings have been generated from the interview questions.

4.4 Analysis of Available Market Information on the Components of the Business Model Canvas

With the help of the customer interview and available information on the topic, this section discusses the alternatives to consider for business plan development.

4.4.1 Customer Segments

While developing a business plan, customer segments are to be set at the first place. Understanding the customers can help develop the value offerings and thus shape the other parts of the operations. There are multiple customer segments that can be suitable for a ready-made garments retailer to target in Finland. Here below, a brief overview of the possible customer segments has been provided.

Demographics: The demographics in Finland are diverse with the presence of customers from different ages, income groups, ethnicities, and geographical distributions. As per research, the younger generations particularly the millennials and Generation Z are more inclined towards shopping online (Statista, 2024a). The key values that attract them are convenience, extensive product variety and competitive practice (Gaurav, 2017).

Psychographics: The factors like lifestyle, values, interests, and attitudes divide customers into psychographic segmentations. The main psychographic segmentation in the fashion industry includes customers who seek for trendy and stylish apparel, customers who focus on sustainability and ethical sourcing, and customers who seek for value for money.

Behavioural Patterns: Customer preferences, habits and pain points create behavioural segmentation among the customers. In the fashion industry, the customers mainly focus on qualities like product quality, price transparency, and hassle free returns while considering about purchasing options (Rath et al., 2016).

Segmentation Strategies: To effectively target customers and connect them well, several segmentation strategies are followed by the businesses, including:

- **Geographic Segmentation:** Customizing the marketing efforts to target specific parts/parts of Finland.
- **Behavioral Segmentation:** Targeting customers based on their behavioural preferences.
- **Lifestyle Segmentation:** Identifying niches based on the shared interests, hobbies, or cultural affiliations of the market.
- **Value-Based Segmentation:** Segmenting customers based on their affordability, quality, price and brand prestige preferences.

Overall, there is the availability of multiple groups in each segmentation type. The business is required to target one or a few segmentations based on the resources, capacity and knowledge it has to implement.

4.4.2 Value Propositions

When setting the value propositions for a business, it is important to consider the customer needs, pain points, and market trends. Here are the value propositions suitable and relevant for an e-retailer of ready-made garments.

Quality and Affordability: Both quality and affordability can cross the minds of the customers while making purchasing decisions. An attractive value proposition can include both good quality and affordable prices.

Ethical Sourcing and Sustainability: The awareness of environmental issues is high among Finnish consumers (Lintukangas, Hallikas and Kähkönen, 2013). Customers want to be sure that the products have ensured ethical sourcing practices, fair labour standards, and environmentally sustainable production methods.

Fashion-forward Designs and Trends: With the lifestyle, customers have come to a stage where fashion items need to express their sense of fashion, and align with trends and lifestyle. Hence, fashion retailers must require to ensure designs that cater to such values and trends.

Convenience and Personalization: Convenience is a key consideration when customers think about online shopping. Hence, the measurement of products, pricing, delivery and return should be presented and completed in a convenient manner (Lee, 2016). Personalization is a key trend in the fashion industry and customers love to have their needs catered to in a personalized manner (Remondes, Madeira and Alves, 2024).

Selecting a compelling value proposition can provide with a competitive edge in the e-retail market for ready-made garments in Finland. The focus should be on one or multiple of the values discussed above.

4.4.3 Channels

For the e-retailing business, the channels are digital. There are multiple digital channels for a business to leverage. Here below, the most relevant channels available for an e-retailer have been discussed.

Website: A website is the key place where the sales are made for the e-retailers. Having a website of its own helps a brand develop its branding, customer experience, and data analytics with full control. Websites help ensure personalization, customization and tailored shopping experience (Kotarba, 2018). The opportunity for collaboration with other brands also increases with the help of a website.

Social Media Platforms: Social media has been a key point of interaction for the brands with their customers. The interview also demonstrates customers get to know about the recent fashion trends via social media. 80.4% of the Finnish population is using social media (Kemp, 2024). Thus, social media is becoming a major point of sales for e-retailers.

Mobile Apps: Majority of the internet users are accessing the internet with mobile phones. Hence, developing a retail website in mobile mobile-friendly way or having a mobile app as a retail brand is proven to be successful and engaging (Park and Yoo, 2020).

Omnichannel Integration: With the importance of multiple sales channels and with the compatibility of the sale channels, most retailers are adopting an omnichannel strategy (Wagner, Schramm-Klein and Steinmann, 2018). For example, retailers are using their social media handles to share links to their websites to increase web traffic. Sometimes, print media is being

used to attract customers as a simple QR code printed on a newspaper can redirect customers to the retail websites.

The omnichannel strategy sums up the whole scenario, an e-retailer cannot rely on a single channel anymore. Selecting a set of multiple digital channels is suitable for an e-retailer.

4.4.4 Customer Relationships

Establishing and nurturing long-lasting customer relationships is important for the financial sustainability of a business. Retaining customers is often considered to be more profitable than acquiring new customers. Aside from that, existing customers are valuable as the existing customers often bring in new customers through word-of-mouth. Here are some customer relationship strategies that can be followed by an e-retailer.

Personalized Communication: Personalization has been a key trend in the retail industry. The retailers require to leverage customer data and segmentation insights to ensure personalized recommendations, offers, and follow-up communications (Lemon and Verhoef, 2016). With personalization, better customer relationship is expected to be developed.

Responsive Customer Support: Online shopping is opted by customers for their convenience. Hence, convenience should always be ensured through customer support, instant communication and responsive feedback (Han and Anderson, 2021). Otherwise, the customers might be dissatisfied.

Transparency and Trustworthiness: Interviews show that customers often visit retail websites just to check prices. Hence, transparency around the price is required. Aside from that, transparency and trustworthiness in the supply chain should also be maintained as customers focus on sustainability and ethical sourcing.

Continuous Improvement: Continuous improvement is an important part of modern business management. If improvements are brought in with the help of customer feedback, then that would reflect the needs and pain points of the customers. Interview findings demonstrate that web-based feedback is the most convenient one for customers. Aside from that, many brands are seen to be using social media communities to find feedbacks from customers.

Cultivating strong customer relationships requires a lot of effort. The proposed new business can select all of those strategies to retain the customers while choosing a few of them can also be proved to be enough if the strategies are implemented perfectly.

4.4.5 Revenue Streams

The cost and revenue of a fashion retail business include a lot of factors. Realistic idea on the cost and revenue of the fashion brands are required for the development of the financial plan for the proposed business. The discussion on competitive landscape the shows that H&M, L-Fashion Group and Varner are the top three fashion retailers in Finland. As Varner is a private company, its financial statements are not publicly available. Hence, to discuss the cost structure and revenue of the fashion retailers, the financial statements of H&M and L-Fashion Group have been analyzed. The financial statements of those two companies have been added in the appendix and some aspects from those statements have been discussed in the below. The discussion below also includes references from other sources that help formulate a good overview of the revenue structure of the fashion retailers. The cost structure has been discussed in a different section.

As for the Revenue, E-retailers can earn from only a few ways with retailing being the key source of income. Here are the sources of revenue for the e-retailers:

Sales Revenue: This is the core source of revenue which comes from the sales of fashion items. The retailers normally mark their products up 2x to 3x compared to the sourcing cost (Farra, 2020).

Subscription or Membership Fees: For many retailers, revenue generated from subscription models or premium memberships is a great source of earnings which ensures steady and long-term profitability (Chaffey, Edmundson-Bird and Hemphill, 2019).

Collaborations and Partnerships: Sometimes, fashion retailers can earn from collaboration and partnership which can come in different forms. A business can recommend complementary products and add links to them in its website and thus earn commission from the brand it is promoting. In some cases, businesses can promote each other to improve their sales.

Licensing and Brand Collaborations: With the help of licensing deals or collaboration with small or even popular brands, an e-retailer can earn (Rubin, 2021).

As for Profitability Metrics, here below, three different profitability matrices have been discussed along with their values in the financial statements of H&M and L-Fashion Group.

Gross Profit Margin: The gross profit margin for the two brands over the two years around 50% to 54%.

Operating Profit Margin: The operating profit margin for the companies varies from 3% to 7% over the two years.

Net Profit Margin: The net profit margin is calculated to be between 2% to 3.5% over two years of the two companies considered.

The discussion above has been able to provide a good overview of the cost and revenue structure of fashion retailers. It is important to consider that both H&M and L-Fashion Group are well-established player and these companies have both online and physical stores while the proposed business is a new one and is only an online store. Hence, the full application of those numbers and values might not be possible. However, a great idea about the financial operations of the retailers has been generated from the discussion.

4.4.6 Key Resources

In the e-retailing business, several resources are required for a streamlined operation which can ensure easy operations and customer satisfaction. This subsection explores the essential resources that e-retailers must acquire, develop, and optimize to support their business operations effectively.

Supplier Relationships: The business is sourcing products from Bangladesh. In that case, it requires to maintain a strong relationship with multiple suppliers in Bangladesh. By making relationship with reputable, ethical, and sustainable manufacturers of garments products in Bangladesh, the business can reduce its operational risks and improve operational efficiency.

E-commerce Platform: A website as the key platform for an e-retailer business. Studies by Chang et al., (2022) demonstrate that businesses must focus on selecting the appropriate platforms while developing the retail website based on the type of content to be put on the website. The current online retailers are mainly using Magento, WooCommerce and Spiffy.

Technology Infrastructure: For an e-retailing business, technology is the key resource. Technologies include web hosting services, AR and VR technologies, cybersecurity solutions, online transaction solutions, blockchain and data analytics tools. AR and VR technologies offer augmented experiences, allowing customers to virtually try on garments before purchasing. As per Wu and Kim (2022), E-retailers incorporating AR and VR features can provide a unique and interactive shopping experience. Blockchain is increasingly being explored for supply chain transparency and authenticity verification. E-retail businesses can utilize blockchain to ensure the traceability and authenticity of their ready-made garments.

Human Capital: Humans are at the center of the operations of the new business. The business needs to hire professionals who have experience in similar businesses or similar technologies to start off with the business. Later, human capital can be developed with training and development programs.

Logistics and Fulfillment: Inventory management is the key to customer satisfaction. As the customers cannot be delayed with their deliveries. While a large warehouse stock also should not be maintained as fashion trends changes quickly and larger stock means more capital requirement. Hence, the business requires an optimized logistic and fulfillment facility that offers it to operate with low stock level and ensures very fast delivery of the products sold (Wollenburg et al., 2018).

Brand Identity and Intellectual Property: With operations, the business requires to develop a brand identity. A brand identity can help it attract and retain customers, and thus have a steady sales and revenue flow (Morgan and Hunt, 2020). Developing a strong brand identity has no alternative for long-term business success. While, there can be intellectual properties, trademarks, and business secrets in use. Those are required to be protected with respective legislation.

Acquiring, developing, and optimizing those resources are crucial determiners of the success of the proposed business.

4.4.7 Key Activities

The following discussion demonstrates the key activities that e-retailers must undertake to drive operational efficiency, product quality, and customer satisfaction.

Sourcing and Procurement: To maintain its key operations, the business requires to import garments from Bangladesh. The products must reflect the customer's needs, trends, and preferences. Otherwise, selling the products is difficult.

Inventory Management: To ensure that the business does not run out of stock, does not have a lot of stock, and does not delay delivery of the orders, it is important to have very effective inventory management (Gao and Su, 2017). The business requires to hire experts at first. It can also outsource the inventory management process but that lessens its control over its operations.

Website Development and Maintenance: To have a very good website that aligns well with mobile browsers and apps, and that provides convenient customer experiences, the business requires to develop and maintain a high performing website.

Marketing and Promotion: Traffic generation, brand awareness, and sales are heavily dependent on the implementation of efficient marketing and promotional methods. E-retailers need to create all-inclusive marketing strategies that cover digital marketing platforms including content, email, social media, and search engine optimization (SEO) (Hanlon, 2022).

Order Fulfillment and Customer Service: For an online retailer, it is important to fulfill the orders with minimum time and maximum care. The customers need to be delivered the product within the promised time, otherwise, retaining the customers is tough (Camilleri, 2021). Another after-sales care to the customers is to ensure efficient customer service.

Data Analysis and Optimization: As an online retailer, the business is expected to generate a lot of data about web visit, product click, product carts, check-out, purchase volume, social media interaction, and campaign interaction (Nelson, 2021). All those data are required to be used in a cohesive manner to ensure informed decision, promotion, and value offering to the customers.

The key activities discussed here are thought to be avoided by an e-retailer. Integration of those activities with efficient collaboration is crucial for business success in the e-retailing sector.

4.4.8 Key Partnerships

For the proposed business, establishing strategic partnerships is essential for leveraging external expertise, resources, and networks to support business operations and drive growth. This discussion includes the key partnerships to be nurtured by an e-retailing business.

Supplier Partnerships: Collaborating closely with garments manufacturers in Bangladesh to ensure the timely procurement of sustainable, ethically sourced and top quality garments is the key requirement for business. Bangladesh has a large pool of sustainable factories compared to the countries that offer similar cost. As per Hossain Ovi (2023), since 2009, Bangladeshi apparel and textile manufacturers have established 202 “eco-friendly” factories. Partnership with such factories is required for the proposed business.

Logistics Partnerships: Reducing shipping costs, increasing delivery efficiency, and streamlining order fulfillment procedures all depend on collaboration with logistics companies and fulfillment facilities (Seghezzi and Mangiaracina, 2021). To guarantee that purchases are delivered to Finnish consumers in a fast and dependable manner, e-retailers must work with logistics partners that can handle international shipping, customs clearance, and last-mile delivery.

Technology Partnerships: To ensure efficient operations of the e-retailing business, it requires services from platform providers, payment processors, and cybersecurity firms to leverage best-in-class technologies and tools for respective areas (Watts, 2017). Aside from that, the business requires services from data analytics firm, AI providers, AR and VR providers, and digital marketers.

Service Providers: The business requires several other services for efficient operations. The services include marketing, banking, insurance and human resource management. The business needs to maintain good relationships with the suppliers of such services.

Strategic Alliances: If there is opportunity available, forming strategic alliances can be greatly beneficial. Strategic alliances can be developed with lenders/investors, web developers, technology suppliers, garments producers, logistic suppliers, a football club, fitness club, social organization, marketers, suppliers and brick-and-mortar retailers. There are multiple dimensions available for an online retailer to leverage strategic alliances.

By being careful and adopting strategic approach in partnership development and management, the proposed retailer can navigate challenges, capitalize on available opportunities, and achieve long-term success.

4.4.9 Cost Structure

Understanding and managing the cost structure is important to ensure that the business is not leaking money and the financials are sustainable for a long term operation. The cost of the e-retailers of ready-made garments includes various components. Here below, some of them have been covered:

Supply Chain Costs: The most consumed garments items fall under the category of 'Casual and Everyday Wear' which includes the Items like T-shirts, jeans, leggings, and basic tops that are comfortable, versatile and trendy. The manufacturing cost of those items varies between €3 to €8 (Mirdha, 2022). However, the cost of the items are expected to increase when values like sustainability, ethical sourcing and supply chain transparency are promised (Hoopes, 2024). While the shipping cost is around €0.3 per kg (Lennane, 2024). Per kg of garments holds multiple pieces of garments which further lower the shipping cost. While, the import duty for Bangladeshi garments in the EU is zero as Bangladesh enjoys this benefit as a least developed country (www.bgmea.com.bd, n.d.).

Technology and Infrastructure Costs: For the development and maintenance of the E-commerce platform, investment requires in web hosting, domain registration, custom designing, secure payment gateways, SSL certificates, and other cybersecurity measures (Srivastava, Goyal and Porwal, 2023). To develop a good website on Shopify with customization, AR and VR technologies, and a mobile app, the expected amount be around €50,000 (Keenan, 2023). There should be high consideration regarding the customer friendliness and ease of use of the website.

Marketing and Advertising Costs: Digital marketing expenses for online visibility, social media campaigns, and search engine optimization along with traditional marketing for better brand visibility and recognition requires a good amount of costing. 5% to 10% of total sales is the expected amount for marketing where the newer businesses remains around the upper limit and the established ones remains around the lower limit (Minieri, 2022).

Operations Cost: Operations cost include the salary of the employees, marketing cost, sales cost, refund and replacement cost, training and development cost, innovation and update costs, and depreciation costs. To ensure the daily operations of the business, a good amount of cost is incurred. As per the financial statements of H&M and L-Fashion Group, these companies have around 40% of the revenue expended in personnel, sales and administrative expenses which fall under the category of operation cost.

With a strategic approach to cost management and resource allocation, the e-retailers can navigate challenges, capitalize the opportunities, and achieve long-term sustainability in the e-commerce industry.

4.5 Summary of the Current State Analysis Results

As the market information have been discussed, the summary of the discussion have been presented in here.

4.5.1 Key Findings about the Existing Market Conditions from the Current State Analysis

The Current State Analysis (CSA) has been insightful in terms of shedding light into the business conditions for each block of the business model canvas with the analysis the existing literature and published research. Based on the CSA, the key findings for the market conditions for the new proposed business have been summarized as follows.

Sustainability and Ethical Sourcing: Sustainability and ethical sourcing have been found to be at the center of consumer consideration while making purchase decisions. Modern concurrent apparel businesses are required to emphasize sustainability and ethical sourcing practices to match customer preference for an environmentally friendly and socially responsible brand.

Digital Innovation and Personalization: Digital technologies are the key driver in consumer behaviour and trends. Personalization is a key trend driven by technological developments. The e-retailers are required to invest in digital innovation and technology-driven solutions to personalize consumer interactions to provide the best possible customer experience.

Omni-channel Integration and Seamless Shopping Experience: With the presence of multiple digital channels to be equally valuable, e-retailers are urged to take omnichannel strategies. An e-retailer should ensure seamless integration of multiple touchpoints including website, mobile app, social media and search engine optimization to ensure efficient customer landing and sales conversion.

Data Analytics and Customer Insights: With the use of different digital technologies, automatically generated data are in abundance and those data are capable of providing valuable insights in terms of consumer behaviour, marketing efficiency, operational efficiency, sales forecast and

more. Hence, e-retailers need to leverage data analysis techniques and use the insights to personalize marketing campaigns, promotional offers and product recommendations to the audiences.

Brand Building and Community Engagement: Being able to develop an identity helps reduce marketing costs and increase customer retention. E-retailers are better off by building a brand and then engage the community around it. Brand building can include storytelling, influencer partnership, user-generated content, co-creation, community engagement and social media engagements.

Supply Chain Resilience and Diversification: Ensuring a seamless supply chain is a key consideration in running a retail business. When promising sustainability and ethical sourcing, more focus on the supply chain should be provided. To maintain the visibility and credibility of the supply chain steps, it is important to improve supply chain resilience and diversity as a retailer.

Continuous Learning and Adaptation: The current market is extremely volatile and changing. Hence, it is important to focus on innovation, continuous learning and adaptation. The learning should always be from the market. Having market research initiatives, efficient customer feedback mechanisms and direct engagement to the customer community are helpful for the retailers of today's world.

By focusing on these key areas and adapting to the changing landscape, the e-retailing business can position itself for long-term success and resilience in the dynamic and competitive e-commerce industry.

4.5.2 Strengths and Weaknesses of the Proposed Business

Based on the current state analysis, the proposed business faces the market conditions with some strengths and some weaknesses. As for the strengths

Unique Product Offering: The business is based on a unique idea, sourcing all the products from a single country. Aside from that, other unique components can be added to the value offerings and thus niche customers can be attracted well.

Cost Competitiveness: As Bangladeshi garments are low in cost and high in quality, the business is expected to be able to leverage cost competitiveness over the competitors.

Digital Presence: The current consumer trend is heavily inclined to digital media of communication. As the proposed business is going to put all of its resources into online business, it is possible to compete with bigger competitors in the online marketplace.

Ethical Sourcing Practices: Ethical sourcing and sustainability are not only better for attracting customers, those focuses are good for the sustainable operations of a business as well.

Omnichannel Integration: If the business integrates an omnichannel strategy, it is expected to get an edge in the industry. Since omnichannel strategies are proven to be beneficial for e-retailers.

Based on the current state analysis, the proposed business faces some weaknesses in the market conditions as well. Some of the weaknesses have been pointed out in the below for careful consideration.

Supply Chain Risks: Depending on a single country can put the business into supply chain risks. Any natural or political adversity in Bangladesh can hamper the whole supply chain of the business.

International Logistics: Importing products from Bangladesh requires weeks of shipping, customer clearance, import documentation and many more. Those things can slow down the logistic management and thus can hamper the timely delivery of the sold items.

Brand Recognition: Being a new business, it will face challenges from the already existing and recognizable brands.

Customer Acquisition Costs: To acquire customers at the first place who are currently shopping at existing businesses will cost high. The customer acquisition cost can significantly affect the profitability of the business.

Some strengths are to be leveraged for strategic advantages in the market. While the weaknesses will be wise to be avoided or mitigated. The business plan that will be developed in the next section, must include the strengths and weaknesses of the proposed business and should include strategies to effectively accommodate those strengths and weaknesses.

5 Building a Plan for an Online Ready-Made Garments Shop in Finland

This section will yield an initial business plan. The development of the plan will be driven through the existing knowledge and current state analysis.

5.1 Overview of the Proposal Building Stage

The main objective of this thesis was to develop a business plan to set up a ready-made garments e-retailer in Finland. The thesis started with a discussion of different theories and models on business plan development, and the business model canvas was chosen as the theoretical framework for the thesis. In section four (CSA Stage), the market condition were discussed with the help of secondary analysis and customer interviews. Based on the findings, the business plan is to be developed in this section.

The choices to be made in this section will help the development of a business plan. Once a detailed proposal is developed, that will be validated with feedback from the industry experts in the next section.

5.2 Initial Proposal for the Business Plan

With the help of the discussion carried out in the current state analysis, a business plan has been developed in the below. The business plan is elaborated with the business model canvas.

5.2.1 Business Description

“Finnish Threads” is an e-retailing venture based in Helsinki, Finland, poised to revolutionize the ready-made garments market by offering high-quality clothing sourced ethically from Bangladesh. The proposed business will be Founded on principles like sustainability, affordability, and fashion-forwardness. Table 3 shows the overview of the business.

Table 3. Business overview.

	<i>Business Overview</i>
1	Name: Finnish Threads
2	Location: Helsinki, Finland
3	Industry: E-Retailing, Fashion, Garments
4	<p>Mission: To empower individuals to express their unique style through affordable and ethically sourced fashion, while fostering sustainability.</p> <p>The business will work on ensuring high-quality clothing that is ethically sourced from Bangladeshi Garment manufacturers. The products will be sold at a very competitive price. The products will also ensure fashion-forwardness to cater for the needs of customers who want to wear trendy and updated products. With those values, the business is expected to be a unique destination for sustainable fashion consumers in Finland.</p>
5	<p>Vision: To become one of the leading e-retailers of ready-made garments in Finland, while being admired for its quality, affordability, and ethical sourcing practices.</p> <p>The business will be ensuring ethically sourcing of the products as a key value offering. To ensure the products are ethically sourced, sustainable and also competitive in terms of pricing, Bangladesh is a great destination as the country is already known for its low cost of production. Focusing on a single source country will help the business to foster long-lasting and meaningful relationships with the suppliers in the country. Apart from sourcing, the regular operations and activities will inherit sustainability by reducing unnecessary costs and consumption. With the consumer-centric approach, the business will act on how the customers want it to act. Thus, strong connection and relevance with the customers will be ensured. All those things together will create a unique value proposition for the customers and thus, the customer pool is expected to gradually increase for the business. Such growth will lead the business among the top positions in the industry.</p>
6	<p>Legal status: The business will register in Finland as a private limited liability company (Oy). By adopting this legal structure, the investors/owners of this business will enjoy limited liability which will not exceed their invested amount. Aside from that, the ownership will be different from management which will keep more room for specialization and professional management.</p>

Table 3 demonstrates the basic details of the proposed business, and a good idea of how the business will form and operate can be found. Being an Oy, the business will have to follow the rules and regulations applicable for a limited liability company. Apart from that, several regulatory issues will be relevant for the business. Table 4 below will demonstrate the regulatory and legal considerations applicable to the business.

Table 4. Regulatory and Legal Considerations.

<i>Regulatory and Legal Considerations</i>		
1	<i>Business Registration</i>	The company will be registered with the Finnish Trade Register (Kaupparekisteri) and will obtain the necessary permits and licenses for operating an e-retail business.
2	<i>Taxation</i>	The business will comply with the Finnish tax regulations, including VAT (Value Added Tax) and corporate income tax. Proper reporting of the taxes will be ensured by following applicable accounting policies and rules to maintain compliance with Finnish tax laws.
3	<i>Consumer Protection</i>	As a retail business, Finnish Threads will be aware of consumer rights. The transactions, product warranties, returns, and refunds all will follow the compliance of the applicable laws to ensure the protection of consumer rights and avoid legal disputes.
4	<i>Import Regulations</i>	Importing requires a lot of documentation and secure transactions. The products will be imported from Bangladesh to Finland and thus the Finnish and EU import regulations will be applicable for the products.
5	<i>Data Protection</i>	Compliance with the General Data Protection Regulation (GDPR) regarding the collection, storage, and processing of customer data is mandatory. The business will be implementing robust data protection measures and will be obtaining explicit consent for data processing are key requirements.
6	<i>Terms of Service and Privacy Policy</i>	Drafting and implementing clear and comprehensive terms of service and privacy policies on the company website will be made mandatory to inform customers about their rights and obligations regarding online transactions and data privacy.
7	<i>Intellectual Property Rights</i>	Protecting intellectual property rights, including trademarks, copyrights, and designs will be prioritized to prevent unauthorized use or infringement of proprietary assets.
8	<i>Advertising and Marketing Laws</i>	Compliance with Finnish and EU advertising and marketing laws, including regulations regarding deceptive advertising, unfair competition, and consumer protection, will be maintained to ensure ethical marketing practices.

As seen from Table 4, Finnish Threads recognizes the importance of compliance with regulatory and legal requirements in operating an e-retail business in Finland. By adhering to Finnish company law, taxation regulations, consumer protection laws, and data protection requirements, the company aims to build trust with customers, mitigate legal risks, and ensure sustainable growth in the competitive e-commerce landscape.

With the growing demand for online shopping and increasing consumer awareness of sustainability, the business is well-positioned to capitalize on market trends and meet evolving consumer needs. The proposed new business, Finnish Threads will prioritize ethical sourcing practices, partnering with reputable manufacturers in Bangladesh known for fair labour practices and sustainable production methods. The business will be committed to promoting sustainability and environmental responsibility throughout its operations, from eco-friendly packaging to energy-efficient practices. The customer-centric approach of the business will emphasize personalized service, engaging content, and a seamless shopping experience to build long-term relationships and foster customer loyalty.

Finnish Threads is poised to disrupt the ready-made garments market in Finland by offering a compelling combination of quality, affordability, and sustainability. With a clear vision, robust business model, and commitment to ethical practices, the business has the ability to succeed and make a positive impact on the fashion industry and beyond. The business model has the potential to not only bring good return to the investors, but also to transform the e-retail landscape in Finland while working on global issues like ethical sourcing and sustainability. The business will also intervene in the fashion trends and fashion choices of the customers with its positive and meaningful value offerings. Thus, the business has the potential to make positive social and environmental impacts, making meaningful changes in the lives of different communities and individuals.

5.2.2 Summary of the Business Model Canvas

The key areas of the business are demonstrated with the help of a business model canvas. It shows all the nine blocks of the business model canvas and the chosen components in those blocks. The cost and revenue estimation have been built from H&M and L Fashion Group. Table 5 summarizes the business model of Finnish Threads.

Table 5. Business Model of Finnish Threads.

1. Key Partners: <ul style="list-style-type: none"> • Garment Manufacturers in Bangladesh • Logistics Partners • Digital Marketing Agencies 	2. Key Activities: <ul style="list-style-type: none"> • Sourcing and Procurement • E-commerce Operations • Marketing and Promotion 	4. Value Proposition: <ul style="list-style-type: none"> • Ethical and Sustainable Sourcing • Affordable Pricing 	5. Customer Relationships: <ul style="list-style-type: none"> • Personalized Engagement • Feedback and Improvement 	7. Customer Segments: <ul style="list-style-type: none"> • Fashion-Conscious Consumers • Sustainability Conscious Consumers • Online Shoppers
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<ul style="list-style-type: none"> • Web Developers 	3. Key Resources: <ul style="list-style-type: none"> • Supplier Relationships • E-commerce Platform • Technology Infrastructure • Human Capital • Logistics and Fulfilment 	<ul style="list-style-type: none"> • Convenience 	6. Channels: <ul style="list-style-type: none"> • E-commerce Website • Social Media • Mobile App • Omnichannel integration 	
8. Cost Structure: <ul style="list-style-type: none"> • Inventory Costs • Logistics Costs • Technology Maintenance Cost • Marketing Cost 		9. Revenue Streams: <ul style="list-style-type: none"> • Product Sales • Partnerships and Collaborations 		

Table 5 communicates the key components of the business plan. Each of the nine parts of the business model has been discussed elaborately in the following sections.

5.2.3 Customer Segments

Finnish Threads' target market comprises fashion-conscious consumers, sustainability-conscious consumers, and online shoppers, each with unique needs, preferences, and values. By understanding and catering to the diverse needs of these segments, Finnish Threads aims to attract and retain customers, build brand loyalty, and drive growth in the competitive e-retail market of Finland. The key target market groups of Finnish Threads are shown in Table 6.

Table 6. Key customer segments.

	<i>Key customer segments</i>	
1	<p><i>Fashion-Conscious Consumers:</i> Finnish Threads will target customers who are fashion-conscious and value style, trends, and self-expression. This group of customers are the ones who follow fashion trends, adopt different styles and seek out for latest clothing options to express their unique [personalities. This segment of customers prioritizes aesthetics, quality, and brand image when purchasing something.</p>	
	<p><i>Characteristics:</i></p> <ul style="list-style-type: none"> • Trend-focused and fashion-forward. • Focuses on quality and style. • Engaged in fashion content and influencers. 	<p><i>Needs and Preferences:</i></p> <ul style="list-style-type: none"> • Trendy and stylish apparel items. • Quality, fit, and comfort in products. • Personalized recommendations and tips. • Well-known brand identities.
2	<p><i>Sustainability-Conscious Consumers:</i> Finnish Threads will target customers who seek for sustainably manufactured and sourced products. The customer group focus on ethical sourcing and social and environmental responsibilities. The customer group wants to put pressure on the businesses through their purchase decisions. While making purchasing</p>	

	decisions, customers look for brands which align with the values of sustainability, transparency, and ethical practices.	
	<p><i>Characteristics:</i></p> <ul style="list-style-type: none"> • Conscious about the environment and society • Prefer a transparent supply chain and ethically sourced products • Support brands based on their activities in protecting common goals • Look for information about supply chain transparency and sustainability 	<p><i>Needs and Preferences:</i></p> <ul style="list-style-type: none"> • Ethically sourced apparel items • Sustainable business model of the seller • Transparency in operations and supply chain • Brands with a clear commitment to sustainability and ethical sourcing • Okay with premium prices if the values match expectations
3	<p><i>Online Shoppers:</i> In addition to fashion-conscious and sustainability-conscious consumers, Finnish Threads targets online shoppers who prefer the convenience, accessibility, and variety offered by online shopping platforms. This segment comprises individuals who value the ease of browsing, purchasing, and receiving products from the comfort of their homes, without the constraints of traditional brick-and-mortar stores.</p>	
	<p><i>Characteristics:</i></p> <ul style="list-style-type: none"> • Comfortable with online shopping platforms and technology. • Value convenience, accessibility, and variety in product offerings. • Prefer the flexibility of shopping anytime, anywhere. • Seek out seamless and hassle-free online shopping experiences. 	<p><i>Needs and Preferences:</i></p> <ul style="list-style-type: none"> • Desire for a user-friendly and intuitive e-commerce platform. • Value fast and reliable shipping and delivery options. • Prefer personalized recommendations and tailored shopping experiences. • Appreciate responsive customer service and easy return policies.

Three key customer segments will be initially targeted with the marketing and communication strategies developed for the business. Once the target groups are catered well new groups will be targeted with added values in the portfolio.

5.2.4 Value Propositions

The value propositions will be key to the success of the business. Being able to provide the promised values will be crucial for Finnish Threads. Here below, Table 7 includes the value propositions for the business:

Table 7. Value Propositions.

<i>Value Propositions</i>

1	<i>Key product offerings</i>	The business will be selling T-shirts, Polo T-shirts, and Denim Jeans to men and women. The key theme of the items will be sports, specially football and ice-hockey. The product choices have been made based on the frequency of sales in those categories. Staying limited to several categories will help the business to specialize in the area and attract niche customers. The product category might be extended in the future, but for now, the three products are set to go.
2	<i>Ethical and Sustainable Sourcing</i>	As there is a huge preference by the consumers towards ethical and sustainably sourced products, the business will adopt those values as its key promise and offerings.
3	<i>Quality</i>	The quality of the products will be prioritized by Finnish Thread. The products will be of the highest quality within the price range. Quality is expected to be a key selling point for the business.
4	<i>Affordable Pricing</i>	The prices of the items will be kept low. Cost-plus pricing will be used which will not open up the opportunity to charge high prices. Affordable pricing is expected to attract price-sensitive customers.
5	<i>Convenience</i>	Convenience is one of the major reasons why customers shop online. To ensure the convenience of the customers, quick delivery, seamless payment processing and easy return policies will be integrated into the key values of the business.

Table 7 demonstrates the key values that will be provided by Finnish Threads. Those promised values are well-aligned to the customers the business is targeting. Those values are required to be offered through the right channels.

5.2.5 Channels

Channels are important in ensuring contact and interaction with the desired customer groups. As the digital atmosphere is diversified, multiple channels are normally being used by the existing e-retailers. Table 8 below demonstrates the channel plan for the business.

Table 8. Channels.

<i>Channels</i>		
1	<i>E-commerce Website</i>	A retail website is going to be developed for the proposed business. The website will host customers coming from different sources. The sales orders, payments and delivery, all will be handled through the e-commerce website. There will be a mobile app version of the website.

2	<i>Social Media</i>	Social media has emerged as a key center for communication, collaboration, engagement and entertainment. Different social media platforms will be used to promote the products and brand through collaboration, user-generated content, influencer partnership and normal communication via social media profiles. With those activities, links to the retail shop will be shared with the customers.
3	<i>Mobile App</i>	To be compatible with the rise of e-commerce, a mobile version of the retail website will be made available in the form of an app.
4	<i>Omnichannel integration</i>	To get the benefits of different channels together, the business will integrate an omnichannel approach. An omnichannel approach is associated with attracting customers from multiple channels and then letting them visit the retail website.

Table 8 demonstrates the key channels that will be leveraged by Finnish Threads. With the help of those channels, the visibility of the business to the customers can be ensured. However, converting the web visits into sales and retaining the customers will require effective customer relationship management.

5.2.6 Customer Relationships

It is important to extract the highest amount of value out of the customers. To achieve so, there is no alternative to long-lasting customer relationships. Table 9 below will explain how Finnish Threads will maintain customer relationship:

Table 9. Customer Relationship Management Plan.

<i>Customer Relationships</i>		
1	<i>Transparency and Trustworthiness</i>	As the business is promising values like sustainability and ethical sourcing, there is no alternative to ensuring transparency in the supply chain and operations of the company. Aside from that, trustworthiness is also important in ensuring credibility regarding the quality and pricing of the products. With transparent communication, and disclosure of the relevant information, transparency and trustworthiness will be maintained.
2	<i>Feedback and Improvement</i>	Feedback will be collected from the customers regularly. The feedback collection mechanism will include web reviews, social media communities and social media interactions with the customers. The business will continuously react to the feedback and improve its performance. Thus, the customers will see service improvement in the way they desire. This will foster the relationship with the customers.

3	<i>Responsive Customer Support</i>	The customers will be provided with responsive support. In the cases of return and refund, the claims of the customers will be considered with care. The customers will always be valued no matter the situation. Thus, the confidence and trust of the customers will be won through responsive customer support
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Table 9 shows a very customer-centric approach of managing fruitful relationship with the customers. With the help of those actions, long-lasting customer relationships can be maintained. Such customer relationships are good for a steady revenue stream of the business.

5.2.7 Revenue Streams

With the understanding of the size and growth of the Finnish ready-made garments market and e-commerce market, the revenue estimation for the business has been developed practically and cautiously. The key source of revenue for Finnish Threads will be the sales of apparel items. Table 10 will demonstrate the revenue plan for the business:

Table 10. Revenue Plan.

<i>Revenue Plan</i>		
Revenue	Description	Amount
Cost of Goods Sold (COGS)	The estimated average cost per garment (T-shirt, Polo T-shirt, Denim jeans) sourced from Bangladesh, including manufacturing, materials, and labour. There is a duty-free entry for Bangladeshi products in the EU, so there will not be any import duty on the garments. While to keep promises like sustainability and ethical sourcing, the cost can increase up to 25% making an average cost per garment €10.	€10 per unit
Sales Price	Finnish Threads will apply a markup of 100% on the COGS to cover operating expenses, and overheads, and generate profit. Hence, the average selling price of the products will be around €20.	€20 per unit
Revenue	In the first year, the monthly sales volume will be 3,000 garments which will be sold at an average price of €20 generating a monthly revenue of €60,000 and a yearly revenue of €720,000. Considering the size of the Finnish apparel industry, the annual sales will only be around 1/7000 th of the total size of the market.	€720,000 per year
Secondary Revenue Streams	Additional revenue sources will be sought from collaborations with influencers, sponsored content, and advertising partnerships. In the projection for the first few years' revenue, the secondary sources will not be considered.	

Table 10 demonstrates Finnish Threads' revenue structure. As seen, the revenue is designed to ensure profitability while offering competitive pricing to customers. By minimizing costs and adopting a competitive pricing strategy the company aims to achieve sustainable growth and profitability in the competitive e-retailing market.

5.2.8 Key Resources

Based on the discussion and findings in the CSA section, the key resources that are deemed to be important for the proposed business have been listed in Table 11.

Table 11. Key Resources.

	<i>Key resources</i>	
1	<i>Supplier Relationships</i>	As the business will be sourcing from a single country and sourcing will be sustainable and ethical, there will be very limited alternatives for the business in terms of suppliers. Hence, having a good relationship with the suppliers will be key to achieving business success.
2	<i>E-commerce Platform</i>	As an e-commerce business, the e-commerce platform will be the most important resource for the business. The platform will come in two forms; a website and a mobile app. Transaction facilities and AR and VR technologies will be included in the e-commerce website/app.
3	<i>Technology Infrastructure</i>	Apart from the e-commerce platform, the business will have different hardware and software. The technology infrastructure will include computers, ERP software, CRM software and a cloud storage facility.
4	<i>Human Capital</i>	The humans or employees are the ones who will be driving the whole operations and progress of the business plan. Skills like digital communication, collaboration and digital skills will be sought in the human capital of the business.
5	<i>Logistics and Fulfillment</i>	Logistics and fulfillment are required to provide the proposed services. With optimized logistics and fulfillment, the customers will be provided with prompt services which will help the business get a competitive edge in the market.

Table 11 demonstrates several key resources, that will be instrumental in the success of the business.

5.2.9 Key Activities

The following key activities are chosen to be relevant to the proposed business. Those activities will be implemented to ensure the smooth operation of the proposed business. Table 12 demonstrates the key activities of the proposed business.

Table 12. Key activities.

<i>Key activities</i>		
1	<i>Sourcing and Procurement</i>	Finnish Threads will establish partnerships with reputable garment manufacturers in Bangladesh known for their quality craftsmanship and ethical labour practices. Regular communication and visits to supplier facilities will ensure compliance with ethical sourcing standards. An online inventory management system will be implemented to track stock levels, monitor product demand, and optimize inventory turnover. The business will use forecasting techniques to anticipate customer preferences and minimize excess inventory.
2	<i>E-commerce Operations</i>	The business will be required to manage its e-commerce operations. Which includes maintaining the website and other digital touchpoints running smoothly. Through regular monitoring and continuous improvement, seamless customer experience can be ensured on the e-commerce platform. Aside from that, warehousing activities will be part of its regular e-commerce operations. The workers at the warehouse will have to get the package ready for delivery as soon as an order is placed. Customer demand forecasting, inventory level management, and customer servicing all will be part of its regular e-commerce operations.
3	<i>Marketing and Promotion</i>	The business will adopt an omnichannel strategy for its marketing and promotion. Social media accounts will be continuously used to stay a touch with the customers. Aside from that, influencer partnerships and user-generated content will be used for regular marketing communication and campaigns.

As discussed, table 12 shows how the business will be opened. With the help of those activities, Finnish Threads is expected to deliver the values it promises.

5.2.10 Key Partnership

To maintain its promise of sustainability and ethical sourcing, the business is required to have a strong connection with the manufacturers and logistic partners. Those partners are important in ensuring seamless management of inventories while ensuring transparency and traceability in the supply chain. Digital marketing agencies and web developers are required to nurture Finnish

Threads' digital presence on different platforms. Table 13 presented below demonstrates the key partners of Finnish Threads.

Table 13. Key partners.

	<i>Key partners</i>	
1	<i>Garment Manufacturers in Bangladesh</i>	Bangladesh has hundreds of ready-made garments suppliers with exceptional capacities. However, all of them do not follow ethical and sustainable business practices. Finnish Threads will identify multiple suppliers who are ethical and sustainable in their operations, and long-lasting connections with those suppliers will be maintained by Finnish Threads.
2	<i>Logistics Partners</i>	As the products will keep coming from Bangladesh to Finland, Finnish Threads will require transporters, banks, and insurers to cover all the services it needs. A long-lasting relationship with those partners will help have a less complicated operation of Finnish Threads as a long relationship will help grow acquaintance and trust.
3	<i>Digital Marketing Agencies</i>	The business will employ different digital marketing strategies on multiple platforms and channels. Hence, the consultancy and services of digital marketing agencies will be required. Partnering with those agencies will help carry out marketing activities with superiority.
4	<i>Web Developers</i>	The business will mainly be carried out on a retail website. Hence, the importance of web developers is very high. Aside from that, the service of web developers will be required to ensure maintenance and regular updates of the retail site.

As presented in Table 13, the business will maintain a close relationship with those partners. As the key values of the business are associated with sustainability and ethical sourcing which will be delivered through an online platform, the partners are truly relevant and are very crucial for Finnish Threads.

5.2.11 Cost Structure

The expected revenue from the business in the first year is €720,000. The revenue is expected to double over the next two years. Finnish Threads aims to achieve profitability from the first year and maintain a constant growth in profit through a combination of sales growth, cost management, and strategic investments. Table 14 will demonstrate the initial investment for Finnish Threads.

Table 14. Initial Investment for Finnish Threads.

<i>Initial Investment</i>		
Items	Description	Amount
Website Development	A €50,000 will be required to develop a user-friendly e-commerce website with features such as secure payment gateways, AR, VR, mobile optimization, and intuitive navigation. Half of this amount will be required for the maintainance of the website each year.	€50,000
Technology Infrastructure	A €25,000 will be required for the overall technology infrastructure of the business including licensing fees for computers, cloud computing, ERP and CRM software licenses, inventory management systems, and cybersecurity measures to support business operations.	€25,000
Inventory Acquisition	A €30,000 will be required as the Initial investment in sourcing ready-made garments from Bangladesh, which will be equal to one month of estimated sales	€30,000
Marketing and Advertising	€60,000 will be used for the initial marketing and advertising activities over the first year which is equal to 8.3% of the annual sales. The amount will be invested in social media advertising, influencer collaborations, and promotional campaigns to generate brand awareness and ensure an initial surge of customers on the website.	€60,000
Legal and Regulatory Compliance	A will be used for legal fees, permits, licenses, and compliance-related expenses associated with establishing and operating an e-retail business in Finland.	€15,000
Initial Operations	For initial operating expenses, including rent, utilities, salaries, and administrative costs during the time when the business will be set up, €20,000 will be required.	€20,000
	<i>Total Initial Investment</i>	<i>€200,000</i>
Operational Expenses	The business will need €60,000 per year for marketing which will be expended evenly over the months. For the other operation costs, a monthly estimation has been considered to be €20,000 which will make the total operations cost 41.67% of the revenue/sales.	€300,000 per year

Table 14 demonstrates the initial cost of the business out of which technology infrastructure cost will be repeated for every year. The rest of the costs are one-off costs which will incur once during the inauguration of the business. Based on the values adopted in the revenue stream and cost structure, a break-even analysis has been carried out in below.

Break-even analysis:

Margin = 50% = 0.5

Fixed cost per year = Web Maintenance + Technology Infrastructure + Operation Cost =
 €25,000+€25,000+€300,000 = €350,000

Break-even point sales = €350,000/0.5 = €700,000

The business will need a minimum of €700,000 in sales to maintain no loss level with the estimated values in cost and revenue.

5.2.12 KPIs

The KPIs for Finnish Thread have been presented in Table 15 below.

Table 15. KPIs for Finnish Threads.

	<i>KPIs</i>	
1	Sales Revenue	€720,000 for the first year
2	Sales growth rate	5%
3	Gross profit ratio	50%
4	Net profit ratio	Minimum 5%
5	Sales Conversion Rate	20%
6	Customer Retention Rate	40%
7	Inventory Turnover	12
8	Sales Return Rate	Below 5%
9	Average Fulfillment Time	2 days
10	Customer Satisfaction (CSAT) Score	80%

Monitoring these KPIs presented in Table 15 regularly will help the business track performance, identify areas for improvement, and make data-driven decisions to optimize operations and drive growth.

5.2.13 Conclusion

Finnish Threads is not only going to be a successful business model, but it has the potential to impact the traditional sales model for ready-made garments in Finland and beyond. Especially in a time when sustainability is not only a choice but also has become a responsibility for the people of the world. The business can demonstrate how a business can economically survive while providing high-quality, fashionable and sustainable clothing at a reasonable price. By adopting strategic partnerships, innovative marketing strategies, and a customer-centric approach, Finnish Threads can strive to build a strong brand presence, foster meaningful connections with customers, and drive sustainable growth.

6 Validation of the Business Plan

In this section of the thesis, the initial proposal developed in Section 5 is to be validated. The validation is based on the feedback interview conducted among two industry experts. In the section, the details of the initial proposal are to be scrutinized, which will result in some changes in the initial proposal.

6.1 Overview of the Validation Stage

The main goal of this section was to build the final proposal for the development of an e-retailer of ready-made garments business in Finland. The purpose of this section is to set up a realistic roadmap to set up the proposed business. The development in this section is based on the scrutinization of the initial proposal developed in section 5. The scrutinization and revision of the initial proposal will help develop a more resilient and realistic business plan that has more chance to be sustained in a real-life scenario.

For the validation purpose, an interview was scheduled with two industry experts. The interviews have been carried out based on the questions added in Appendix 3. The interview turned into an in-depth discussion where all the parties were involved in an open discussion. The open-ended answers and follow-up questions in the discussion have helped to shed light on more things than what was planned through the interview questions. Thus, a lot of issues have been raised through the discussion.

Valuable feedback, questions and guidelines have been found from the session with the interview with the experts. The focus was to shed light on each part of the business model canvas, which has been done successfully. In the following sub-section, what insights, suggestions and feedback were gathered on the business model canvas.

6.2 Inputs from the Validation

Upon completing the feedback session with the industry experts, a lot of areas have been identified which are better to be changed for a more realistic and improved business plan. The experts have suggested starting small, getting practical ideas and experience, and then expanding the business. This approach is expected to reduce the risk associated with the

implementation of the business plan. Aside from that, there were many other suggestions and feedback received from the experts through the feedback session. Those suggestions and feedback have been presented by the components of the business model canvas in Table 16.

Table 16. Expert Suggestions and Feedback.

SL	Business Model Canvas	Expert Suggestions and Feedback
1	Customer Segments	<p>The experts have questioned why the business is only limited to Finnish customers. Aside from that, there was another inquiry about the inclusivity of the three segments being targeted. The experts asked for the target customer segments to be narrowed down. The customer segment can be narrowed down with more specific demographic and behavioural targeting as per the experts. Starting with a small community of customers will be more practical for the business as per the suggestions by the experts.</p>
2	Value Propositions	<p>There was a lot of discussion on the values. The experts have suggested promoting sustainability and ethically sourced values. One of the raised concerns about how the business can ensure that the products are being sustainably produced in Bangladesh. The key discussion was regarding the uniqueness of the values being offered. The values are required to be unique from the existing ones. The consideration of collaborating with fashion designers or influencers who design clothing items was also articulated by industry experts.</p> <p>Answering a question, experts fostered that price-sensitive customers also focus on sustainability hence the two value offerings can co-exist together.</p>
3	Channels	<p>Social media is deemed to be an efficient channel. The concern was how the new business could reach the target audiences amid so many content, advertisements and communication endeavours ongoing on social media platforms. Aside from that, the experts have suggested to have a story to tell. A story can increase the credibility of the narratives and help resonate with the customers better.</p>
4	Customer Relationships	<p>Apart from having a story to tell, the business also needs to be personal while communicating with customers. For example, the customers can be sent a personalized token of appreciation for their purchase with the store. This helps build relationships with the customers as per one of the experts.</p> <p>Another important suggestion was provided regarding the return policy. With the market information, it was already known that convenience and ease of return a key factors in online shopping. The experts have suggested keeping a very easy return policy.</p> <p>Overall, the customers are required to be kept satisfied. Customer satisfaction can be achieved through direct communication with the customers. Prompt replies to their queries and attending to them with</p>

		care are key to keeping the customers satisfied. Aside from that, focus should be kept on customer feedback and customer reviews. Since customer reviews and ratings are crucial for online stores.
5	Revenue Streams	As for the attainability of the projected sales, the experts have commented that such a figure is unlikely in the first year of operations but is not impossible. The main suggestion revolved around starting small and then scaling up upon getting practical experience.
6	Key Resources	The key resources for the proposed business included a website with AR and VR technologies. The experts have suggested not to build up a website in the first place because building a website will shoot up the start-up cost. While, the experts have unanimously agreed that AR and VR technologies do not offer great value to an online store, especially for the small ones.
7	Key Activities	The physical location of the business is expected to be in Helsinki. The experts have asked to reconsider the advantages it can get from its Helsinki-based operations. Another suggestion was to consider the option to produce in Bangladesh after securing orders from the customers. The experts also have asked how the customers are getting served by the business. This relates to how the pain points of the target audiences are getting solved and how their unmet needs are met with the help of the business.
8	Key Partnerships	The experts have raised questions about the availability of garment producers in Bangladesh who follow sustainable standards. There was a new perspective as experts suggested considering the option to be a supplier to the influencers who are already in the merchandising business. Those suggestions and considerations certainly can open up new possibilities for the business.
9	Cost Structure	As per the cost structure, the focus of the experts was to help reduce the start-up cost. Apart from the suggestion of starting small, they also have suggested not to have a website at the beginning. This move can certainly reduce the overall cost and investment requirement for the proposed business. In terms of the existing cost structure, the experts asked to be more comprehensive. Further explanation of the operation cost and marketing cost were asked by them.

As Table 16 demonstrates, suggestions were available for each part of the business model canvas. In most of the cases, the experts asked for reconsideration of the choices made. Aside from that, they have provided some valuable guidelines from their practice experience of working in the industry. Amending the business plan according to those suggestions will help develop a concise and impactful business plan that has a better chance of succeeding in real-life situations. The next section will present the amended and updated business plan.

6.3 Updated Business Plan

This has started with a high promise of developing a comprehensive business plan to set up an online apparel store based in Finland. To have the right components within the business plan and get them most acceptably, a thorough process has been followed. At the end of the process, the final business plan will developed in this section. Table 17 includes the components of the final business plan.

Table 17. Components of the Final Business Plan.

SL	Business Model Canvas	Components of the Final Business Plan
1	Customer Segments	The business will target men under 40 years old who are residing in Finland. A community of customers will be slowly built on social media platforms. Repeat sales to the same customers will be focused on customer retention.
2	Value Propositions	The value proposition of the business will include competitive pricing, sustainably produced items and trendy fashion items. The trendy fashion items will be produced in collaboration with a fashion designer. All those components together will make the brand unique. For example, when young males seek trendy fashion items that offer competitive pricing and are sustainable, they will choose Finnish Threads as their top choice.
3	Channels	Social media will be used as the key channel for the business. Search engines and websites will also be used for the inflow of customers.
4	Customer Relationships	The components of the initial proposal will be kept for the customer relationship initiatives. With the suggestion from the experts, a story of craftsmanship through upholding sustainable practices will be integrated into the brand communication process. Thus, the values like trustworthiness and transparency will be maintained. While the focus on customer satisfaction through prompt feedback will be ensured. Thus, long-lasting customer relationships can be maintained.
5	Revenue Streams	As the experts have suggested to start small, the business will target €240,000 per year which is equivalent to 1000 sales per month each worth €20.
6	Key Resources	The business will start operating with a website of its own. Thus, the key partners will be supplier relationships, fulfillment and logistics, and human resources.
7	Key Activities	The business will be operating from Helsinki as the Finnish transportation system is well-connected to the city, and faster delivery to the customers can be ensured. Production after getting orders will be a lengthy process and is expected to dissatisfy the customers as

		they will receive the product after several weeks. Thus, the key activities of the proposed business will be around the management of the sourcing and procurement, and marketing and promotion.
8	Key Partnerships	<p>As the business is now planned to start without a website, the web developers are excluded from the key partners. While social media will be a key focus for the marketing, influencer partnerships will be crucial. Aside from that, a partnership with a fashion designer will be maintained to ensure the supply of trendy fashion products.</p> <p>While the suppliers of the products are garment manufacturers in Bangladesh, the logistics partners and the digital marketing agencies will remain the key partners.</p>
9	Cost Structure	<p>Following the suggestions of the experts, the cost structure of the business has changed drastically.</p> <p>The initial investment requirement for the business:</p> <p>Inventory Acquisition: €10,000 (One month's worth of inventory)</p> <p>Marketing and Advertising: €10,000</p> <p>Legal and Regulatory Compliance: €5,000</p> <p>Initial Operations: €5,000</p> <p>Total initial investment: €30,000</p> <p>For the regular operations of the business, the following costs will be incurred:</p> <p>Warehouse rent per month: €2,000 (One room worth of space)</p> <p>Designer Honorarium per Month: €2,000 (Part-time basis)</p> <p>Salary of the Warehouse Handler: €2,500 (Handling the orders)</p> <p>Influencer Partnership Cost per Month: €1,000</p> <p>Other Marketing Efforts: €500</p> <p>Monthly Rent for Hosting Products on Third Party Website: €500</p> <p>Total operation cost per month: €8,500</p> <p>Break-even analysis:</p> <p>Margin = 50% = 0.5</p> <p>Fixed cost per year = €8,500*12 = €102,000</p> <p>Break-even point sales = €102,000/0.5 = €204,000</p>

Table 17 demonstrates the final business plan which has been reduced in terms of volume and customer target. While some detailing in different parts of the operations have been added. Now, there is less money required, thus less risk involved with the business. While, with a narrow focus, the chance of specializing and succeeding within the target market is high. The selected

components for the final business plan have been presented in the form of the business model canvas in Table 18.

Table 18. Business Model Canvas Presentation of the Final Business Plan.

1. Key Partners: <ul style="list-style-type: none"> Garment Manufacturers in Bangladesh Logistics Partners Digital Marketing Agencies 	2. Key Activities: <ul style="list-style-type: none"> Sourcing and Procurement Marketing and Promotion 	4. Value Proposition: <ul style="list-style-type: none"> Ethical and Sustainable Sourcing Affordable Pricing Convenience 	5. Customer Relationships: <ul style="list-style-type: none"> Personalized Engagement Feedback and Improvement Story-based Connection Digital Community Engagement 	7. Customer Segments: <ul style="list-style-type: none"> Finnish Male Under 40 years
	3. Key Resources: <ul style="list-style-type: none"> Supplier Relationships Human Capital Logistics and Fulfilment 		6. Channels: <ul style="list-style-type: none"> Social Media Omnichannel integration 	
8. Cost Structure: <ul style="list-style-type: none"> Inventory Costs Logistics Costs Third-party website usage rent Marketing Cost 			9. Revenue Streams: <ul style="list-style-type: none"> Product Sales Partnerships and Collaborations 	

Table 18 concisely communicates the final business plan. Here, below, the financial projections of the business plan have been demonstrated with the help of a budget in Table 19.

Table 19. Financial Projection of the Business Plan.

<i>Yearly budget</i>		<i>2025</i>	<i>2026</i>	<i>2027</i>
INCOME				
	Sales revenue	€240,000	€264,000	€290,400
	Other income			
<i>Total Income</i>		<i>€240,000</i>	<i>€264,000</i>	<i>€290,400</i>
COST				
	Cost of goods	€120,000	€132,000	€145,200
SALARY				
	Salary	€30,000	€33,000	€36,300
MISC.				
	Warehouse Rent	€24,000	€26,400	€29,040
	Designer Honorarium	€24,000	€26,400	€29,040
	Website Rent	€6,000	€6,600	€7,260
	Influencer Partnership	€12,000	€13,200	€14,520
	Other Marketing	€6,000	€6,600	€7,260
<i>Total Cost</i>		<i>€222,000</i>	<i>€244,200</i>	<i>€268,620</i>
<i>Profit/(Loss) per year</i>		<i>€18,000</i>	<i>€19,800</i>	<i>€21,780</i>
<i>Acc. Profit/(Loss)</i>		<i>€18,000</i>	<i>€19,800</i>	<i>€21,780</i>

Table 19 communicates the financial projections of the business plan considering a 10% growth in cost and revenues over the next two years. As the business is starting small, higher growth will be easier to achieve. Apart from the elements of the updated plan, the KPIs are also important. The sales target being revised to €240,000 for the first year. And the rest of the KPIs set in the initial proposal will be the KPIs for the business to follow.

7 Conclusion

This section concludes the thesis journey. The thesis is concluded with an overview of the thesis, the next steps for the proposed business, and an evaluation of the thesis.

7.1 Executive Summary

The thesis aimed at the development of an e-retailing business plan for selling ready-made garments in Finland, sourced from Bangladesh. The journey starts with the formulation of the methodology and moves to exploring existing knowledge and best practices available for a business plan development. It is followed by the analysis of the current state of the e-retail market, including trends, consumer behaviour, competition, and regulatory environment. Apart from the secondary sources, customer interviews were carried out to gain insights from customers.

With the methodologies set at the beginning, the next step was to find out the best suited model or theory to develop a business plan. Once the discussion was carried out with the reference of the credible sources, business model canvas found to be the most practical and relevant model to follow during the development of the business plan. With the consideration of the business model canvas, it was set what would be included in the business plan.

The current state analysis has been carried out based on the areas focused by business model canvas. Thus, at the end of the current state analysis, all elements that are can possibly be included in the business plan were gathered. Next, with the help of the business model canvas and the current state analysis, a preliminary plan was developed. The plan was revised with the consultation of the industry experts. Thus, the final business plan includes the input from both the customers and the industry experts.

As the thesis outcome, a business plan was developed which includes the outline of the product offering, marketing strategy, operational plan, technology integration, financial projections, and sustainability strategy. The business is going to offer sustainable and ethically sourced products to the customers. The business will focus extensively on customer relationship management. With the help of digital channels, close community of the customers will be built and managed. Other important parts of the business plan include innovative marketing and branding strategies, seamless technology integration, efficient supply chain management, and a comprehensive financial analysis.

By using the best practices in the business plan development, the business plan aims to capitalize on the unmet demand in the market and opportunities that will emerge in the coming days. With the proposed business plan, the thesis provides initial guidance for the entrepreneurs and stakeholders who are going to embark on similar business efforts.

7.2 Next Steps toward Implementation

As the plan has been developed, the next steps for the business for its upcoming journey in the real-life setting can include:

At first, the business needs to be very careful about its promise of sustainability and ethical sourcing. For that purpose, it needs to ensure a transparent supply chain. The supply chain must follow sustainable practices and ethical sourcing standards. And all those things are required to be visible to the stakeholders. To ensure sustainable production of the items, the business will require to partner with the sustainable and green garment factories in Bangladesh. With mutually beneficial contract terms and with focus on the key values, the business will be able to ensure long and fruitful relationships with the suppliers.

Secondly, the choice of online platform is very important. The business has chosen to be run on a rented website for its online sales. A very reliable and reputed e-commerce hosting should be chosen for the online store of the business.

Thirdly, there should be consistency in communication while carrying out marketing and branding activities. The business should reinforce similar values and promises across different digital channels it uses, and the values and promises should surround the center story being told.

Fourth, the management of human resources is crucial. There has not been much talk about human resource management in the business model canvas, hence the plan also has put limited endorsement to the topic. Sticking to the basics of human resource management will be good enough while the business is small.

Fifth, the KPIs are the lighthouses for the business in its navigation in the competitive marketing of Finland. KPIs have been set, and those are required to be respected and ensured through effective monitoring mechanisms.

Finally, there should be strong focus on the regulations and compliances. The business must closely focus on the facts that it is respecting general business laws, sustainability laws, and e-commerce laws applicable for the business in Finland.

7.3 Evaluation of the Thesis

The thesis aimed at developing a business plan for the given business context. The thesis adopted a detailed and structured approach. At first, the structure of the plan was confirmed through the analysis of the existing knowledge and best practices in developing a business plan. The selection of the structure has facilitated the data collection and analysis, and inform strategic decision-making throughout the thesis. As the business model canvas was selected as the structure of the business plan, the current state analysis included all the components of the business model canvas and identified the key trends, consumer preferences, regulatory considerations, competitive dynamics, and technological adoption within the industry. These findings helped forming initial understanding the factors that are influencing the market and strategies that are important to comply with those factors.

The methodology and approach of the thesis have guided towards the achievement of the research objective. However, there were several limitations of the thesis. First of all, the thesis has been carried out on a limited primary data. Having inputs from the industry experts during the development of the initial plan would have helped to have a better plan to be reviewed in the feedback interview. The sample size in the customer interview very limited. However, the introduction of the feedback interview at the end of the thesis helped to connect to real industry context. Overall, the thesis should have been carried out using more practical and reliable inputs that it managed to use.

7.4 Closing Words

The Internet has changed how humans communicate, entertain themselves, shop and most other things in human life. Online shopping is an important part of modern lifestyle. Customers are opting for online shopping for many benefits it provides. While, online shopping is a profitable and growing business opportunity for the entrepreneurs and investors. Hence, the industry has been very competitive. The business plan for a competitive industry needs to be impeccable and aptly made considering the intricacies of the industry.

The thesis has taken a job of making a business plan for a saturated and competitive market. The goal was not easy to achieve but the inputs throughout the thesis were helpful. The overall experience of the thesis journey is thrilling. The successful completion of the thesis was not possible without continuous learning and improvement. Learning on a lot of issues has become the key takeaway from this thesis.

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Appendix 1 – Written Statement on the use of AI-based tools in this thesis

WRITTEN STATEMENT

on the use of AI-based tools in this thesis

by *Forhad Hossain*, the student of BI Master's Degree Programme

Thesis title: *Developing a Detailed Business Plan to Establish an Online Ready-Made Garments Shop in Finland*

According to the "Guidance for addressing the use of AI-based tools in studies at Metropolia Business School (for written submissions)" from August 2023, I make this statement on the use of AI-based tools in my submitted Master's thesis.

1) Which AI-based large language models or other AI-based tools I used

ChatGPT by OpenAI

2) In which parts of the thesis which tools were used, and for which tasks (*please make a list*)

a. For Section 3, Chatting tool, to understand the possible discussion to be included in the chapter

b. For Section 4, Chatting tool, to understand the possible discussion to be included in the chapter

3) What portion of the text was helped with these tools, for each use

Brief versions of Section 3.2 and 4.2 were considered from the tool

4) Which prompts were asked, exactly (*please indicate the page number in the text where used*)

For Section 3.2 at page 12, the prompt was "What are the available theories and models of business plan development?"

For Section 4.2 at page 23, the prompt was "What are the details about Finnish market needs to be discussed in an 'Industry Overview' section of a research paper that focuses on developing an online retailer in Finland for the ready-made garments products?"

- 5) Here, I describe what continues an ethical and reliable use of AI-based tools that I used *(use, for example, the recommended documents from “MBS Guidance” referred to above)*

- 6) Here, I describe how ethically and reliably I used the AI-based tools in my thesis submission

This written statement makes part of my thesis and is done to help in evaluation and assessment.

25.05.2024, Helsinki

(Data and place)

Forhad Hossain

(Signature)

Appendix 2 – Questions for Customer Interview

1. What are the most basic three values that you expect from a clothing retailer? Why are those values at the top of your priority list?
2. Do you prefer online purchases of your clothes over in-store purchases? Why or why not?
3. What are the top three values you expect from an online retailer? (that can be of clothes or not).
4. Are you loyal to any brands for your clothing? Why or why not?
5. What are the factors that can induce you to visit a new clothing store?
6. Does pricing matter to you while buying clothing? Why or why not?
7. Do you consider sustainability and ethical sourcing while making your clothing purchase decisions? Why or why not?
8. Do you think that people will be consuming fewer fashion items including clothes as a part of the sustainability movement going around?
9. What are the most common forms of media where you find fashion updates?
10. What would be the best ways for a new business to inform its presence to you?
11. What is the most convenient way for you to communicate or provide feedback to a company?
12. What is the first impression/thought that hits your mind when you consider garment products made in Bangladesh?

13. How do you rate garment products made in Bangladesh?

14. What are your recommendations for a new business that wants to sell Bangladeshi garment products in Finland online?

Appendix 3 – Questions for the Feedback Interview

Thank you for your time. Let me first introduce the business idea on which I am working. The business idea is about developing an e-retailer business based in Helsinki which will be selling ready-made garments products in Finland. The garments items will be imported from Bangladesh.

I have already developed a business plan with the help of secondary literature and interviews with customers. Based on the ideas I have generated; I will be asking you some questions that will help me develop a detailed business plan.

1. If the business wants to target a niche customer group, what customer segment should it target? I am planning to target fashion-conscious customers, sustainable customers and online shoppers.
2. Would it be a good idea to offer values like 'sustainable and ethical sourcing' and 'competitive pricing' together? Do the customers who seek lower prices care about sustainability? Will it be financially viable to offer those two values together?
3. What should be the main marketing channel for a new apparel store that will be fully based online? The secondary data and customer interviews show social media and websites are the main touchpoints for customers to know about products and visit stores.
4. Is omnichannel strategy the ultimate solution for the e-retailers?
5. What is the most natural way for maintaining good relationship with the customers? Is that applicable to the e-retailers as well?
6. How important are AR and VR technologies for a newcomer fashion brand? Can such technologies ensure a true competitive edge and growth within the industry?
7. How much of the business' operations can be outsourced/apart from production? Would it help reduce cost or reduce the control of the business in its operation?
8. Who will be the key partners of this business model and how should they be managed effectively?
9. Is it possible for a new e-retailer to target to generate a revenue of €720,000 in the first year? The amount is like 1/7000th of the total Finnish Apparel market in the first year. Is it a realistic target, why or why not?

10. The secondary data shows businesses mark up their products 2x to 3x of their sourcing cost, is it viable? Will it make the product price high or will it leave very little limit for profit?
11. How much should be the marketing cost for a new business in the apparel industry? Secondary data shows 5% to 10% of the sales.
12. What is the standard operation cost percentage compared to the total sales? H&M and L-Fashion Group have around 40% of their sales expended on the operation cost(including marketing).
13. Can AR and VR technologies on the retail website compensate for the physical try-on experience of the customers?
14. How much should it cost for a compatible retail website with a secure payment gateway, AR and VR technologies, and a mobile-optimized website along with a mobile app?
15. What net profit margin is enough to attract investors in apparel retailing? H&M and L-fashion group have earned between 2% to 3.7% net in recent years.
16. What would be some recommendations from your end for a new e-retail business for apparel products in Finland?

Appendix 4 – Financial Reports of L Fashion Group

L-FASHION GROUP -GROUP		
Income Statement (1 000 eur)	1.1.-31.12.2023	1.1.-31.12.2022
NET SALES	212 990	245 484
Change in stocks of finished goods and work in progress		
Production for own use		
Other operating income	836	859
Share of results of associated companies		
Materials and services		
Materials and supplies		
Purchases during the period	-104 429	-146 068
Stocks, increase or decrease	-1 268	12 742
External services	-71	-111
Materials and services	-105 768	-133 438
Personnel expenses		
Wages and salaries	-30 284	-30 299
Social expenses		
Pension expenses	-4 075	-3 064
Other social expenses	-2 886	-2 763
Personnel expenses	-37 245	-36 126
Depreciation and write-downs		
Depreciation according to plan	-5 190	-6 336
Depreciation on consolidated goodwill and Group reserve decrease	-514	-514
Write-downs on fixed assets		33
Depreciation and write-downs	-5 704	-6 850
Other operating expenses	-53 271	-53 606
OPERATING PROFIT (LOSS)	11 838	16 324
Financial income and expenses		
Income from investments in other fixed assets	1	1
Other interest and financial income	978	501
Interest expenses and other financial expenses	-4 933	-2 968
Financial income and expenses	-3 953	-2 466
PROFIT (LOSS) BEFORE TAXES	7 885	
Income taxes		13 858
Taxes for the current and previous periods	-1 766	-2 890
Deferred taxes	-257	-637
Other direct taxes	-48	-32
Income taxes	-2 071	-3 559
PROFIT/LOSS FOR THE YEAR	5 814	10 299

L-FASHION GROUP -GROUP

Balance Sheet (1 000 eur)	1.1.-31.12.2023	1.1.-31.12.2022
ASSETS		
FIXED ASSETS		
Intangible assets		
Intangible rights	146	154
Consolidated goodwill	2 569	3 082
Other intangible assets	6 655	5 453
Intangible assets	9 369	8 780
Tangible assets		
Land and water areas	2 559	2 677
Buildings and structures	39 230	42 145
Machinery and equipment	19 869	20 820
Other tangible assets	135	105
Advance payments and acquisitions in progress	24	312
Tangible assets	61 816	66 058
Investments		
Other shares and holdings	88	88
Investments	88	88
FIXED ASSETS	71 273	74 925
CURRENT ASSETS		
Inventories		
Raw materials and consumables	2 248	3 096
Finished products/goods	62 473	63 996
Inventories	64 721	67 091
Long-term receivables		
Accounts receivable	43	59
Loan receivables	3 000	
Deferred tax asset	1 429	1 898
Long-term receivables	4 472	1 956
Short-term receivables		
Accounts receivable	38 836	55 541
Receivables from Group companies	826	45
Loan receivables	848	2 581
Deferred tax assets (FAS)	21	
Other receivables	2 791	1 876
Prepaid expenses and accrued income	3 048	2 610
Short-term receivables	46 371	62 652
Cash and cash equivalents	16 501	20 349
CURRENT ASSETS	132 065	152 048
ASSETS	203 338	226 974

Appendix 5 – Financial Statements of H&M

Group income statement

SEK M 1 DECEMBER–30 NOVEMBER	2023	2022
Net sales, note 3, 5	236,035	223,553
Cost of goods sold, note 7, 8, 10	-115,139	-110,183
GROSS PROFIT	120,896	113,370
Selling expenses, note 7, 8, 10	-96,435	-94,542
Administrative expenses ¹ , note 7, 8, 10, 11	-10,895	-11,390
Result from investments in associated companies and joint ventures ² , note 16	971	-269
OPERATING PROFIT	14,537	7,169
Interest income and similar items	616	162
Interest expense and similar items	-2,143	-1,115
PROFIT AFTER FINANCIAL ITEMS	13,010	6,216
Tax, note 12	-4,287	-2,650
PROFIT FOR THE YEAR	8,723	3,566
Attributable to:		
The shareholders of H & M Hennes & Mauritz AB	8,752	3,566
Non-controlling interest	-29	-
Earnings per share, SEK ²	5.35	2.16
Average number of shares outstanding, thousands ²	1,629,097	1,649,847

1 For the 2021/2022 financial year, SEK 93 m and SEK 176 m respectively have been reallocated from cost of goods sold and administrative expenses respectively to result from investments in associated companies and joint ventures. Result from investments in associated companies and joint ventures for the full year 2022/2023 relates to SEK 999 m (176) for revaluation of associated companies of which mainly the former associated company Seljny, and SEK -26 m (193) is share of results.

2 Before and after dilution, excluding own shares.

Consolidated statement of comprehensive income

SEK M 1 DECEMBER–30 NOVEMBER	2023	2022
PROFIT FOR THE YEAR	8,723	3,566
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Translation differences	12	3,902
Change in hedging reserves, note 23	413	-478
Tax attributable to change in hedging reserves	-85	87
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit pension plans, note 22	-41	55
Tax related to the above remeasurement	10	-9
Remeasurement of financial assets, note 24	-599	-2,697
OTHER COMPREHENSIVE INCOME	-290	860
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,433	4,426
Attributable to:		
The shareholders of H & M Hennes & Mauritz AB	8,462	4,426
Non-controlling interest	-29	-

Group balance sheet

SEK M 30 NOVEMBER	2023	2022	SEK M 30 NOVEMBER	2023	2022
ASSETS			EQUITY AND LIABILITIES		
NON-CURRENT ASSETS			EQUITY		
Intangible non-current assets			Share capital, note 21	207	207
Brands, note 14	450	–	Reserves	6,196	5,856
Leasehold and similar rights, note 14	296	161	Retained earnings	41,116	44,694
Capitalised development expenditure, note 14	7966	8,931	Equity attributable to the shareholders of H & M Hennes & Mauritz AB	47,519	50,757
Goodwill, note 14	1,013	64	Non-controlling interest, note 13	82	–
	9,725	9,156	TOTAL EQUITY	47,601	50,757
Property, plant and equipment			LIABILITIES		
Buildings and land, note 15	689	697	Long-term liabilities		
Equipment, tools, fixture and fittings, note 15	24,553	23,734	Provisions for pensions, note 22	379	333
Right-of-use assets, note 17	56,294	58,305	Other provisions, note 23	5	242
	81,536	82,736	Deferred tax liabilities, note 12	2,416	3,273
Non-current financial assets			Liabilities to credit institutions, note 27	14,084	9,643
Interests in associates, note 16	209	503	Other long-term liabilities	132	183
Other shares and interests, note 24	2,363	2,654	Long-term leasing liabilities, note 17, 27	48,729	49,282
	2,572	3,157		65,745	62,956
Other non-current assets			Current liabilities		
Long-term receivables	1,204	939	Accounts payable	21,027	21,090
Deferred tax assets, note 12	5,707	6,537	Tax liabilities, note 12	1,377	1,843
	6,911	7,476	Liabilities to credit institutions, note 27	2,998	1,135
TOTAL NON-CURRENT ASSETS	100,744	102,525	Other provisions, note 23	304	594
CURRENT ASSETS			Current leasing liabilities, note 17, 27	12,159	12,575
Stock-in-trade, note 18	37,358	42,495	Other liabilities	7,329	6,048
Current receivables			Accrued expenses and deferred income, note 5, 25	22,733	25,050
Accounts receivable, note 24	3,301	3,014		67,927	68,335
Tax assets, note 12	3,830	3,212	TOTAL LIABILITIES	133,672	131,291
Other receivables	5,111	4,601	TOTAL EQUITY AND LIABILITIES	181,273	182,048
Prepaid expenses, note 19	4,531	4,494			
	16,773	15,321			
Cash and cash equivalents, note 20	26,398	21,707			
TOTAL CURRENT ASSETS	80,529	79,523			
TOTAL ASSETS	181,273	182,048			

