



BUSINESS PLAN: BAGCRAFTS ENTERPRISE



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1.0 EXECUTIVE SUMMARY

BagCrafts Enterprise is a handicraft backpack initiated in the year of 2021 which was designed by experts from Tawau, Sabah who are experienced in sewing. The term 'BagCrafts Enterprise' utilizes the combination of bag and handicraft. The business started with in-house sewing with just 3 employees and now expanding to 10 employees and plans to expand more. This business focuses on providing quality, flexible yet affordable products through the art of sewing by using technology and creativity. The purpose is to make sure that everyone with every level of income owns a necessary product. Hence, the business targets to be the leading of handmade products in the bags and luggage industry in Malaysia. Apart from generating profit, the company also focuses on providing classes for their employees to enhance their skills. Currently, the business is focusing to serve a bigger customer range such as corporate clients as well as promoting local crafts beyond the border of Malaysia. The business operates in Bandar Tawau and is also known as an urban area as the building is near the town and it is very convenient for people to stop by. Business operating hours are from Monday to Saturday from 10.00 am to 6.00 pm. The main product for the company is a handicraft backpack that offers a variety of backpack designs such as batik, embroidery, weaving, lace, and patchwork. BagCrafts Enterprise is a partnership business with 5 partners and the ownership of each partner is 20%. The business also has 10 manufacturing employees and a management team comprised of operations, marketing, administration, and finance.

In BagCrafts Enterprise, there are two types of market size which are direct customers in BagCrafts shop and the distributions through other retail stores around Sabah, Malaysia. The specific target market is focusing on school children, college students, and working adults in Tawau, Sabah. The company estimated that 50% of the population in Tawau might buy the products and become potential repeat buyers. Therefore, the company is estimated to reach 20% of the market share. However, the brand is still new and has a small target market, and therefore, the team has decided to compete with other competitors by only markup 45% of the cost to gain the market share before competitors. Besides, they also use high-quality material to produce the bag with anti-faded, lightweight, and durable fabrics. The business also promotes the product through social media platforms and a few collaborations with other brands.

Furthermore, BagCrafts Enterprise has already achieved profit in the year 2020 and is increasing year by year. This is because the business focuses on competing with the competitors in producing high-quality products to satisfy the customers in order to get profitable. The break-

even analysis is decreasing year by year. The financing amount for the capital needed is from the equity invested, the contribution of the partners, and also bank loans from Maybank Berhad. The total amount of equity invested is RM35,000 while all the partners contribute RM7,000 each and the bank loan from Maybank Berhad is RM75,000.

In conclusion, BagCrafts Enterprise focuses on improving the product by combining creativity and technology to provide quality, flexible yet affordable products. Apart from that, the business also offers the opportunity for unemployed single mothers and housewives who have skills in sewing to generate income.