Hania Gad

BUF 2255

FINAL

Part A

Store type,

The type of store it’ll be is a Pop up store because it’ll increase and improve brand awareness; as it will help us expose the brand to a broader target audience.

Also it is lower in risks as we get to test out different locations as the lease will be up in about two months. Therefore, we get to test how attractive our product is to different customers in certain locations and based on increased/ decreased sales we would be able to make decisions beneficial for our business

Product,

Coats: I chose to produce and sell coats as I find them very chic and fashionable especially during winter. And other than giving your appearance a chic parisian look they are a winter essential. Coats compliment winter clothes so much. and during the cold days of the year the only clothing item you see on display is either a coat or a jacket. You can wear anything underneath and have as much fun as you want with layering pieces but it's the outside layer which is your coat that plays the biggest role in keeping you warm and completes your outfit.

Part B:

Formulas used for the table:

Planned Purchase = Ed% x planned Sales + MD$ + Shortages% \* planned sales

OTB (R ) = 2 \* OTB (C )

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Feb | Mar | Apr | May | June | July |
| Planned Sales | $300,000 | $200,000 | $300,000 | $200,000 | $400,000 | $250,000 |
| +Planned Reductions  | $20,000 | $26,000 | $31,000 | $17,000 | $48,000 | $50,000 |
| +EOM Stock | $200,000 | $80,000 | $110,000 | $90,000 | $210,000 | $70,000 |
| = Total monthly needs | $520,000 | $306,000 | $441,000 | $307,000 | $658,000 | $370,000 |
| -BOM stock | $160,000 | $200,000 | $80,000 | $110,000 | $90,000 | $210,000 |
| = Planned purchases | $360,000 | $106,000 | $361,000 | $197,000 | $568,000 | $160,000 |
| -Merchandise on order | $125,000 | $15,000 | $145,000 | $35,000 | $170,000 | $24,000 |
| Open to Buy (R)  | $235,000 | $91,000 | $216,000 | $162,000 | $398,000 | $136,000 |
| Open to Buy (C ) | $117,500 | $45,550 | $108,000 | $81,000 | $199,00 | $68,000 |

**B1.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Feb  | March  | April  | May  | June | July  |
| Open to Buy (R)  | $235,000 | $91,000 | $216,000 | $162,000 | $398,000 | $136,000 |
| Open to Buy (C ) | $117,500 | $45,550 | $108,000 | $81,000 | $199,00 | $68,000 |

Open to Buy for each month:

**B2.**

Average monthly sales = Total Planned Sales/ 6 months

Total Planned Sales = $300,000 + $200,000 + $300,000 + $200,000 + $400,000 + $250,000 = $1,650,000

Average Monthly sales = $1,650,000/6 = $275,000

**B3.**

Average monthly on order = Total merchandise on order/ 6 months

Total merchandise on order =

 $125,000 + $15,000 + $145,000 + $35,000 + $170,000 + $24,000 = $ 514,000

Average monthly on order = 514,000 / 6 = $ 85,666.67

**B4.**

Formula used:

Markdown % = MD$/ planned sales per month

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Feb  | March  | April  | May  | June | July  |
|  MD$ | $8,000 | $12,000 | $4,000 | $3,000 | $18,000 | $25,000 |
| Panned Sales  | $300,000 | $200,000 | $300,000 | $200,000 | $400,000 | $250,000 |
| MD% | 2.66% | 6% | 1.3% | 1.5% | 4.5% | 12.5% |

**Part C**

**C1.**

Total Planned Sales \* 6.2 = increase in $

$1,650,000 \* 6.2% = $102,300

Total Planned Sales + increase in $ = new projected Sales

1,650,000 + 102,300 = $1,752,300

**C2.**

Actual sales – planned sales = change in $

1,820,000 – 1,650,000 = 170,000

Change in % = 170,000/1,650,000 = 10.3% increase