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**Executive Summary**

[Zen Footwear Manufacturing Inc.] is a manufacturing company based in [Fortsmith], [Arkansas]. The company owns a number of factory outlets and has partnerships with distributors worldwide. The company wants to attain the following goals: 1) Widen its market through an introduction of a children’s line, 2) Increase its distribution partners and factory outlets, and 3) Add an online shop and shipping feature on its website.

**Company Overview**

[Zen Footwear Manufacturing Inc.] produces sports and dress shoes since [2000]. The company delivers to over [1,000] retail stores worldwide and owns [500] outlets within the United States. As of [January 31, 2019], the company’s assets amount to [10.5 million] USD. The company employs a total of [20,000] workers who are mostly locals of [Fortsmith], [Arkansas]. The company plans to double the number of outlets by [2024].

**Mission Statement**

[Zen Footwear Manufacturing Inc.] assists customers in bringing out their best foot forward by providing them with high-quality, comfortable, and reliable pairs of shoes.

**Core Values/Philosophy**

[Zen Footwear Manufacturing Inc.] always dedicates itself to providing customers with quality goods produced through excellence, efficiency, and precision backed with integrity and honesty to its customers.

**Vision**

[Zen Footwear Manufacturing Inc.] envisions itself as one of the benchmark footwear manufacturers in the global market.

|  |  |
| --- | --- |
| **COMPANY SWOT ANALYSIS** | |
| **INTERNAL FACTORS** | **EXTERNAL FACTORS** |
| **Strengths** | **Opportunities** |
| * Reliable distributor and exporter of high-quality sports and dress shoes * Affordable price range on goods | * The increasing number of millennials who regard their purchase of shoes as fashion-related * There are sports events in Arkansas that the company can take advantage of in its marketing activities. |
| **Weaknesses** | **Threats** |
| * Even with its ample number of outlets and retail partners, the company is still dependent on its market position to gain profit. * Lack of a strong online presence due to the absence of consistent website updates and upgrades | * Customers have set expectations for the goods that they purchase, especially on their prices. * Competition is tight among sports and dress shoe manufacturers with the existence of strong benchmark companies. |

**Business Concept**

**Product/Service Offered**

[Zen Footwear Manufacturing Inc.] manufactures premium quality sports and dress shoes for men and women age 12 and above. The company provides bulk delivery to customers within [Fortsmith, Arkansas]. The company partners with a distributor for the goods reserved for export.

**Benefits to Clients/Customers:**

The shoes manufactured by [Zen Footwear Manufacturing Inc.] are designed to provide customers with the comfort they need while being stylish in their business or casual outfits. The designs are suited to the current fashion trends of its target market, making it useful for both formal and informal occasions.

**Target Customers:**

[Zen Footwear Manufacturing Inc.] targets customers of all ages who usually wear business attire to work, observe an active lifestyle, and wear shoes for fashion. The company plans to strengthen its market for children from ages [4-11] with designs that suit their taste and preference.

**Market Analysis**

**Trends**

The footwear industry has been progressive and has grown over the years at its own steady pace. There is a rising demand in the market for trendy and fashionable yet comfortable shoes among all age groups. Furthermore, footwear manufacturing companies are using online platforms to be used by customers in purchasing their desired footwear.

**Market Size and Revenue Potential**

[Zen Footwear Manufacturing Inc.] will double the number of retail partners and outlets to cater to a wider market. Aside from that, the company will provide more goods fit for children ages 4-11. The market size for children in Fortsmith alone totals to [5,000] which is the estimated total population.

**[Zen Footwear Manufacturing Inc.] Growth Forecast for [2019]**

|  |  |  |
| --- | --- | --- |
|  | **FY 2018** | **FY 2019** |
| Existing Channels and Outlets | 1,500 | 1750 |
| New Retail Channels  and Factory Outlets | Retail Partners - 100  Factory Outlets - 75 | Retail Partners - 150  Factory Partners - 100 |
| Revenue | USD 7M | USD 10M |

**Competition**

[Shoe Zen Corporation] and [Arkansas] Shoe Company are the top competitors recognized by [Zen Footwear Manufacturing Inc.]

**Competitive Analysis**

|  |  |  |
| --- | --- | --- |
| **Company Name** | **Distribution Channels** | **Online Media Use** |
| Zen Footwear  Manufacturing Inc. | * Has factory outlets and partners with distributors for its export goods | * Still in the process of upgrading its website for the customers to use |
| Shoe Zen Corporation | * Owns outlets only within the state but has an online shop | * Has a website that caters to online shoppers globally |
| Arkansas Shoe Company | * Owns outlets only within the state and does not have partners globally | * Does not own a website or any online media channel |

**Strategic Key Performance Areas (KPAs), Goals, and Objectives**

**Legend:**

**Definition of Priority Levels**

**Priority Name Definition**

**High** Low Cost, High Impact   
**Normal** Average Cost and Impact  
**Low** High Cost, Low Impact

**Definition of Status**

**Ongoing** - The activity is on track/on schedule.

**At Risk** - There are issues facing the activity, but can still be resolved.

**On Hold** - A serious issue needs to be resolved before the activity can continue.

**Done** - Accomplished

**KPA: Distribution of Goods**

Goal: [Zen Footwear Manufacturing Inc.] aims to double the number of retail partners and outlets by [2024].

Objective: [Zen Footwear Manufacturing Inc.] will gain [8 retail partners] and open 3 factory outlets by the end of the second quarter.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Responsibility** | **Target Date** | **Status** | **Priority** |
| Negotiate with retail stores | General Manager, Marketing Manager, and team | April 20, 2019 | At Risk | High |

**KPA: Customer Service**

Goal: [Zen Footwear Manufacturing Inc.] aims to ship and deliver globally through its online shop.

Objective: Upgrade and consistently update the website to make it more user-friendly

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Owner** | **Target Date** | **Status** | **Priority** |
| Contact a website developer to commence the upgrade | General Manager, Marketing Manager, and IT Specialist | March 20, 2019 | Ongoing | Normal |

**KPA: Production Processes**

Goal: [Zen Footwear Manufacturing Inc.] aims to increase work efficiency and minimize rejects by 10%.

Objective: Reach the number of shoes scheduled to be produced for the day.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Owner** | **Target Date** | **Status** | **Priority** |
| Finalize the production schedule | Production Manager, Plant Manager | March 5, 2019 | Ongoing | High |

**KPA: Suppliers**

Goal: [Zen Footwear Manufacturing Inc.] aims to minimize the importation of some raw materials and patronize local suppliers.

Objective: Use a [50-50] ratio of the raw materials used for the shoe production.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Action Items** | **Owner** | **Target Date** | **Status** | **Priority** |
| Contact local suppliers of rubber and cotton | General Manager, Purchasing Manager | March 10, 2019 | Ongoing | High |

**Management Team**

[Zen Footwear Manufacturing Inc.] is headed by its competent general manager with the aid of its reliable and experienced board of directors and shareholders. The general manager, together with the assistant manager, are locals of [Fortsmith] who have extensive experience in footwear manufacturing.

**Financial Details**

|  |  |  |
| --- | --- | --- |
| **Zen Footwear Manufacturing Inc.** | | |
| **Balance Sheet** |  | |
| [USD $] |
|  | **2018** | **2019** |
| **Assets** |  |  |
| Current Assets: |  |  |
| Cash | 4,000,000 | 6,335,000 |
| Accounts Receivable | 1,425,000 | 2,000,000 |
| Prepaid Expenses | 700,000 | 710,000 |
| Inventory | 1,125,000 | 1,200,000 |
| Total Current Assets | 7,250,000 | 10,245,000 |
|  |  |  |
| Property & Equipment | 2,250,000 | 2,250,000 |
| Goodwill | 500,000 | 500,000 |
| **Total Assets** | **10,000,000** | **12,995,000** |
|  |  |  |
| **Liabilities** |  |  |
| Current Liabilities: |  |  |
| Accounts Payable | 1,575,000 | 1,460,000 |
| Accrued Expenses | 700,000 | 710,000 |
| Unearned Revenue | 1,425,000 | 2,000,000 |
| Total Current Liabilities | 3,700,000 | 4,170,000 |
|  |  |  |
| Long-Term Debt | 1,500,000 | 1,450,000 |
| Other Long-Term Liabilities | 300,000 | 275,000 |
| **Total Liabilities** | 5,500,000 | 5,895,000 |
|  |  |  |
| **Shareholders' Equity** |  |  |
| Equity Capital | 2,500,000 | 3,100,000 |
| Retained Earnings | 2,000,000 | 4,000,000 |
| **Shareholders' Equity** | **4,500,000** | **7,100,000** |
| **Total Liabilities & Shareholders' Equity** | **10,000,000** | **12,995,000** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Zen Footwear Manufacturing Inc.** | | | |
| **Cash Flow in [USD $]** | | | |
|  | For the Year Ending | 1-31-2019 | 1-31-2020 |
|  | Cash at Beginning of Year | 3,000,000 | 4,000,000 |
|  | Cash at End of Year | 4,000,000 | 6,335,000 |
|  |  |  |  |
| **Operations** |  | **2018** | **2019** |
| Cash receipts from | |  |  |
|  | Customers | 4,000,000 | 4,800,000 |
|  | Other operations | 3,000,000 | 3,500,000 |
| Cash paid for |  |  |  |
|  | Inventory purchases | -1,500,000 | -1,200,000 |
|  | General operating and administrative expenses | -375,000 | -400,000 |
|  | Wage expenses | -3,250,000 | -3,250,000 |
|  | Interest | -500,000 | -250,000 |
|  | Income taxes | -1,125,000 | -1,125,000 |
| Net Cash Flow from Operations | | 250,000 | 2,075,000 |
|  |  |  |  |
| **Investing Activities** | |  |  |
| Cash receipts from | |  |  |
|  | Sale of property and equipment | 275,000 | 150,000 |
|  | Collection of principal on loans | 375,000 | 385,000 |
|  | Sale of investment securities | 175,000 | 200,000 |
| Cash paid for |  |  |  |
|  | Purchase of property and equipment | -200,000 | -200,000 |
|  | Making loans to other entities | -175,000 | -250,000 |
|  | Purchase of investment securities | -50,000 |  |
| Net Cash Flow from Investing Activities | | 400,000 | 285,000 |
|  |  |  |  |
| **Financing Activities** | |  |  |
| Cash receipts from | |  |  |
|  | Issuance of stock | 1,150,000 | 800,000 |
|  | Borrowing | 150,000 | 175,000 |
| Cash paid for | |  |  |
|  | Repurchase of stock (treasury stock) |  |  |
|  | Repayment of loans | -250,000 | -250,000 |
|  | Dividends | -700,000 | -750,000 |
| Net Cash Flow from Financing Activities | | 350,000 | -25,000 |
|  |  |  |  |
| Net Increase in Cash | | **1,000,000** | **2,335,000** |
|  |  |  |  |
|  | Cash at End of Year | 4,000,000 | 6,335,000 |