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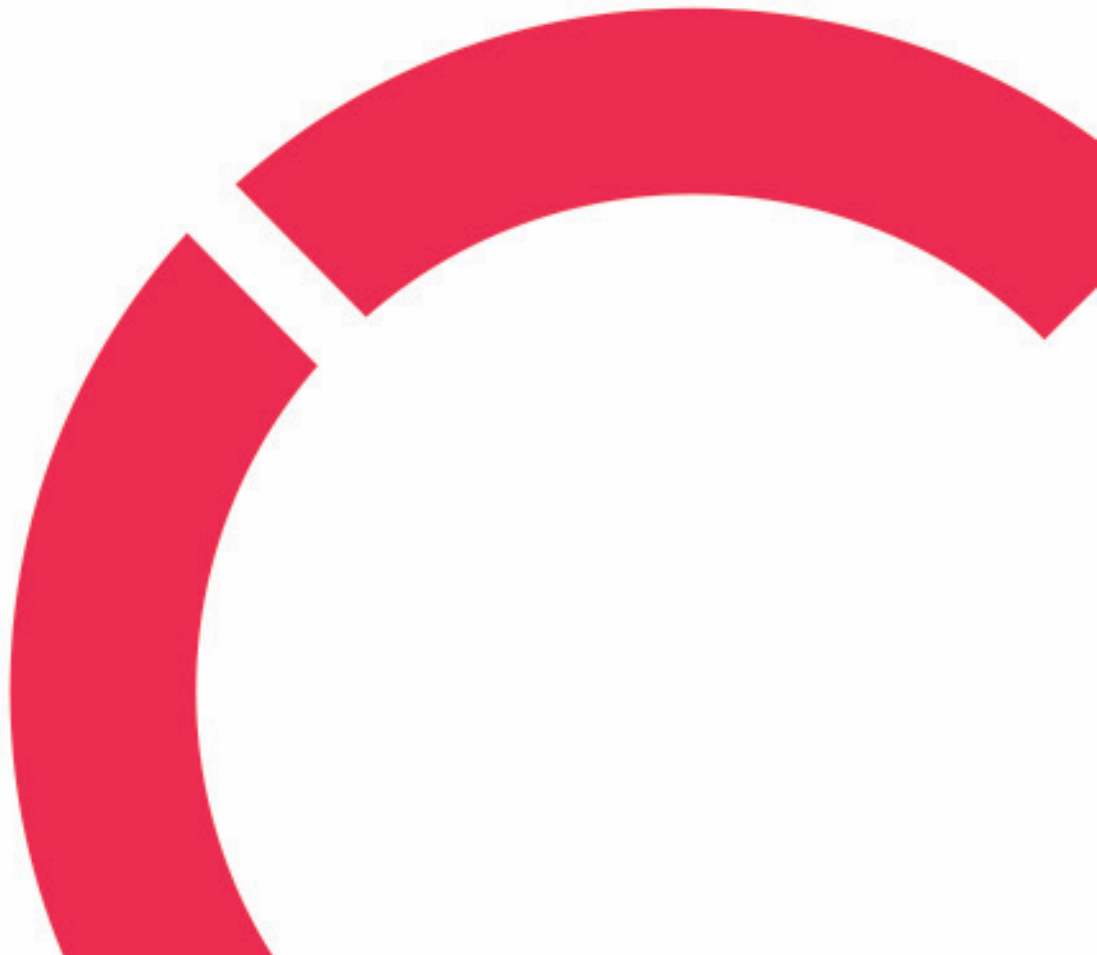
**IMPORTING OF PASHMINA PRODUCTS FROM NEPAL TO FIN-
LAND**

Thesis

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ABSTRACT

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<p>The main objective of this thesis was to help entrepreneurs in Finland by developing a comprehensive business plan for importing pashmina products from Nepal to Finland. The thesis illustrated the import process and export process of pashmina products from Nepal and Finland. As an international student, I am preparing a new business plan of importing pashmina products from Nepal to Finland.</p> <p>The thesis also focused on the various pashmina products that can be imported and widely used in Finland, an analysis of the market and demand for these products in Finland, competitors' analysis, opportunities, and challenges analysis regarding this business. In addition, with the purpose of the study, a qualitative research method was used in this thesis in which the secondary data was collected by using books, articles, and reliable internet sources while the primary data was collected by conducting in-depth interview with the entrepreneur of Finland, Cattavarayane Sandhanakrishnan.</p>		
Key words Entrepreneurs, Finland, Import, Nepal, Pashmina products		

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1 INTRODUCTION

Pashmina products are luxury quality made of wool from the mountain goats, Changra, found in the Himalayas of Nepal. The skilled artisan made these soft woollen fibers which are hand woven in traditional looms. Pashmina products are one of the most famous and valuable handicrafts of Nepal. Various pashmina products such as pashmina shawls, pashmina blankets, pashmina scarfs, pashmina sweaters, pashmina gloves, and beanie, have been in use for a century ago. They are a popular souvenir for tourists visiting Nepal and make great gifts for loved ones. In the context of Nepal, pashmina fabrics are more expensive because of their traditional production methods which are carried out step by step. After readymade garments and leather products, Nepal's third largest terms of export product is pashmina. Nepal Pashmina Industry is a popular manufacturer and exporter of pashmina products that have contributed to the economy of Nepal. (nepalbusinessdirectory.com 2023.)

The study emphasizes creating a comprehensive business plan for importing various pashmina products from Nepal to Finland. As an international student, I chose this topic to assist in the establishment of new enterprises with a new business plan for importing pashmina products from Nepal to Finland. I am originally from Nepal and a student of Centria UAS, Pietarsaari, Finland. My research on this topic will help many start-ups know the sustainability of the pashmina trade between Nepal and Finland. The study aims to help entrepreneurs to know their business plan before they start their business of importing pashmina from Nepal to Finland. From this theoretical part, the reader will have an overview of creating a business plan and traits of trade. The theoretical part of this study includes the details of various pashmina products that can be used in Finland, and Nepal Pashmina Industry, the import process in Finland and the export process in Nepal, factors affecting the trade between Finland and Nepal, demand analysis, market analysis, and so forth.

The research can be practical or conducted using two methodologies. There are two types of research methods: qualitative research and quantitative research. A qualitative approach will be applied in my thesis based on the goal of my thesis. Theoretical information will be gathered by using books, articles, and reliable internet sources. While the empirical data will be gathered by conducting in-depth interviews with Mr. Cattavarayane Sandhanakrishnan the owner of Jansa Collection, or the entrepreneur of Finland via email or Phone calls. Jansa Collection Oy is a clothing store in Asematie 4, Tikkurila. Mr. Cattavarayane Sandhanakrishnan is the Owner of Jansa Collection Oy, established in 2021. They offer various Indo-Asian and African fashion wear and cosmetic products. They import the materials from

original weavers in several Indian states, as well as manufacturers in Sri Lanka, Nepal, Bangladesh, Pakistan, and African countries. In this current stage, they want to expand their business by selling Pashmina Products from Nepalese suppliers.

Further page goes into greater information about the research topic, qualitative methodologies, and sources. Certain study questions arise as a result of the consequent import process of pashmina from Nepal to Finland.

- What kind of pashmina products can be imported in Finland?
- Is it possible to import pashmina products according to the rules and regulations of European Import Standardization?
- What factors should be considered for importing pashmina products from Nepal to Finland?
- How can a new business plan be implemented for importing pashmina products from Nepal to Finland?

2 NEPAL PASHMINA INDUSTRIES ASSOCIATION (NPIA)

Nepal Pashmina Industries Association (NPIA) is a non-governmental and non-profitable organisation aiming to unite and develop all the pashmina sectors or industries. It brings together all the pashmina businesses such as manufacturers, exporters, raw materials importers, and dyers. This organisation is playing a vital role in the sustainable growth and development of the pashmina sectors with the mission of enhancing the quality of pashmina products. This autonomous representative body of all Pashmina Industries was established in 2000 A.D. and since has contributed to the economy of Nepal. (Nepal pashmina Industry Association 2007.)

The Pashmina Industry of Nepal has a very long and rich history. Nepal Pashmina Industry (NPI) is considered the third export leading source of Nepal which has driven the economy and employment of Nepal. In the late 1990s, the demand for exporting pashmina increased in the global fashion world where many companies have benefits of higher margins. In contrast, when global online production ramped up, demand fell so new competitors China and India invaded the market. Since, there were lots of possible factors which dropped the total value of Pashmina's exports. (Shrestha 2010.)

The government created a new national pashmina sector export strategy in recent years with the aim of exporting pashmina valued at \$75 million till 2026. This strategy was formulated in cooperation with the Nepal Pashmina Industries Association, the Trade and Export Promotion Centre, and the Ministry of Industry, Commerce, and Supplies. Before, Nepal used to import raw materials like threads used for making pashmina products, from China and India. In contrast, this strategy aimed to increase the production of thread inside the country from mountain goats which is a good step to contribute to the Nepal Pashmina sector. (New Business Age 2023.)

NPIA has been established to promote the competitiveness of the Pashmina sector as SMEs of Pashmina were facing a lot of challenges in past years. NPIA has registered the Chyangra Pashmina Trademark in 41 nations in an effort to distinguish and support the authenticity of Nepali Pashmina. Moreover, NPIA aids in finding a reliable manufacturer and supplier for the Pashmina enterprise's success, both domestically and internationally. This organization is also empowering a lot of people, especially in the Himalayas by providing them an opportunity to continue their traditional production methods of pashmina for long-term sustainability and growth. (New Business Age 2023.)

3 A NEW BUSINESS PLAN

This strategy assists entrepreneurs to compile creative suggestions for the export of pashmina goods from Nepal and selling in Finland. The objectives and mission statement of doing pashmina clothing business in Finland are portrayed in this section. The pashmina industry's approach and business experiences were used to create the following business plan. I am anticipating starting a pashmina clothing business in Finland by creating a comprehensive business plan as follows.

3.1. Business description

This part of the thesis illustrates the vision and mission of the pashmina business in Finland. The main objective of this business is to sell pashmina products by reaching higher numbers of customers in Finland. The company aims to build a successful and profitable business that serves the needs of our customers and supports the growth of Nepalese communities. This business is a hypothetical start-up that will import high-quality pashmina products from Nepal and sell them directly to customers in Finland through an online store and/or physical retail locations. The company will offer a wide variety of pashmina products, including scarves, shawls, and blankets, at competitive prices.

Our focus will be providing excellent customer service also supporting and promoting the beauty and artisanship of Nepalese textiles. We believe there is a market for these products among Finnish customers who appreciate unique, high-quality textiles. There are many factors to consider when starting a business of pashmina products in addition to importing them from Nepal and selling them in Finland, thus all of these are clearly shown in this part.

3.1.1 Team management

This section also portrays shortly about the ownership and team management of this business. The company will establish a clothing retail store in Helsinki city by importing pashmina products from Nepal. It is going to be operated in partnership with 2-3 people. Half of the fund will be the investment of the partners while 50% will be a loan from the bank. The CEO of the company will be the senior owner with more experience in the business-like clothing store. Followed by the CEO, the general

manager will oversee all the operations of the business while the sales department manager will handle all the sales representatives and customer inquiries. The company also needs sales and marketing personnel which will be added according to the size and needs of the business. Moreover, the management team will be very diligent, motivated, and innovative with a desire to create a good working environment.



PICTURE 1. Organizational structure

3.1.2 Mission Statement

The mission of this business is to bring the beauty and luxury of Nepalese pashmina products to customers in Finland. The team will do this by providing high-quality products at competitive prices while promoting ethical sourcing and sustainable business practices. The company aims to build long-lasting

relationships with our customers, suppliers, and partners, based on trust, transparency, and mutual benefit. It has a goal of becoming a leading business of pashmina products in Finland and contributing to the economic development and empowerment of Nepalese communities.

This business aims to introduce the elegance and luxuriousness of Nepalese pashmina products to the people of Finland. To achieve this, the team will offer top-notch products at competitive rates, while promoting all ethical sourcing and sustainable business practices. The company's goal is to develop durable relationships based on honesty, openness, and mutual benefit with its partners, suppliers, and clients. The goal is to establish itself as a premier provider of pashmina products in Finland, while also contributing to the economic progress and empowerment of Nepalese communities

3.1.3 Vision Statement

Our vision is to become the go-to destination for customers in Finland seeking high-quality pashmina products, renowned for our exceptional customer service and commitment to ethical and sustainable business practices. We aspire to be recognized as a leader in the industry, setting the standard for quality, innovation, and social responsibility. Our success will be measured not only by our financial performance but also by the positive impact we create in the communities where we operate, both in Finland and Nepal.

3.2 Products, Services and Pricing

This heading provides a comprehensive overview of the key elements that constitute the business's offerings, the services it aims to provide, and the pricing strategy it intends to implement.

3.2.1 Products

The business will import a variety of high-quality pashmina products from Nepal, including scarves, shawls, and blankets. These products will be made from the finest materials and crafted by skilled artisans using traditional techniques. It will offer a range of styles, colours, and designs to appeal to a wide variety of customers, from those seeking classic and timeless pieces to those who prefer bold and

trendy styles. Moreover, the products will be sold at competitive prices that are accessible to a broad range of customers.

Pashmina is well renowned as “Dimond fibre” and “soft gold of high Asia.” Nepali pashmina has high trends in the global fashion industry. Only about 5% of Nepal's total production is consumed domestically; the remaining 95% is exported to international markets. Around 2.5 billion rupees worth of pashmina products are consumed locally, while 2.27 billion rupees are requested internationally by buyers. However, pashmina exceeds its export to 47 international markets with the biggest markets being the United States, Italy, Canada, the United Kingdom, France, Japan, Germany, and India. (Government of Nepal Ministry of Industry, Commerce and Supplies 2019.)



PICTURE 2. Export trend of pashmina products (Government of Nepal Ministry of Industry, Commerce and Supplies 2019.)

About 10,000 to 15,000 tons of pashmina fibre is produced worldwide each year. There are majorities of pashmina-producing countries such as China, Mongolia, Iran, Afghanistan, Pakistan, India, and Nepal. China produces 70% of the pashmina while 20% is produced by Mongolia and rest from the other countries like India and Nepal. (Shakyawar, Raja, Pareek, & Wani 2013.) But Nepal is the most optimal option for the high-quality pashmina export to our business because of its cheapest production.

The target products that can be imported from Nepal and sold out in Finland are categorized as shaded or embroidery pashmina products such as sweaters, shawls, blankets, socks, gloves, etc. However, very simple, and plain weave products are popular among the Finnish community. These cashmere products might have high demand in Finland because of its chilly weather for a long winter. Our estimated sell-

ing products are sweater, scarfs and mufflers, beanies, shawls, blankets, gloves, socks, and uncategorized products: such as poncho, baby, and women products. All these products will be sold according to the seasons and weather conditions of Finland.

3.3 Services

In addition to offering high-quality pashmina products, the business will provide excellent customer service and support. It will offer a user-friendly online store that is easy to navigate and allows customers to browse and purchase products with ease. The website will include detailed product descriptions and images, as well as a secure payment system to ensure customer transactions are safe and secure. The company will also offer prompt and reliable shipping to customers throughout Finland, with options for expedited delivery for customers who need their products quickly. Also, we will provide excellent customer support, with a dedicated customer service team available to answer questions and provide assistance as needed. Additionally, we will offer our pashmina products in retail stores which will be established in the Helsinki area. Thus, we can easily meet our target customers and satisfy them by providing high-quality products and services.

3.3.1 Pricing

The price range will differ according to the Economy, Mid-Range, and Luxury pashmina quality by pattern as Hand-Embroidered, Self-Design, Tie-Dyed, and printed. The price range for pashmina is reasonable in context of Nepal so if you order products in large quantity, you can get heavy discount. The average price of 100% pure pashmina in Nepal is 25 dollars-200 dollars depending on the material, quality, and embroidery while mixed pashmina fabric may cost less. (Nepal Handicraft Product Exporter PVT. LTD 2023.) These costs will be higher when it is ready for an international market. However, the price of the product depends on the cost of manufacturing, shipping, customs fees, taxes, quality, etc. There are various possible factors that can affect the final pricing of the pashmina products which are listed below (Accountlearning.com 2023).

- Cost of raw materials
- Labour costs are lower in Nepal compared to Finland
- Cost of transporting the products from Nepal to Finland

- Import and export duties levied by both countries
- Sales taxes, value-added taxes, and other fees
- Overheads such as rent, utilities, and salaries
- Competition
- Markup to cover the expenses and earn profit
- Fluctuation in exchange rates between the Nepalese rupee and the Finnish euro
- Quality of the pashmina products including design and brands

3.4 Import Process and Export Process

Import and export are the terms of trade which refer to bringing any goods from foreign countries and selling them to domestic market. Exports are the sales of goods and services that are sourced or produced in the home country but sold in other countries. Imports are the purchases of goods and services from abroad and brought into the home country, hence imports and exports are the components of an international trade. These trades are done because it gives advantages on the country in a way that it covers the resources that are unavailable in a domestic market. This increases the economy of a domestic market as well as other nationals involving thus, boosts the global economy. These resources often are exchanged due to the different weather conditions, cheap labour costs, production costs, unavailable raw materials, and other factors that affect the price and the product. The trades also create more value to the customers and are comparatively cheaper when imported from other countries when the product or service is unavailable or harder to produce in a domestic market. (Saylor Academy 2012.)

In addition, there are a series of steps and procedures to follow and complete to import goods from Nepal to Finland. When importing garment products to Finland, compliance with import and export laws, obtaining the required paperwork, navigating custom procedures, and taking care of import charges and tariffs are all part of this. To ensure on-time deliveries, the importer must additionally consider the transportation mode of the import which is agreed in the contract. Likewise, the exporter must comply with the export documentation requirements, have valid licenses, and permits, and follow customs processes. To make sure that the product is exported securely and delivered on schedule, the exporter must consider the product's packaging, the mode of transportation, and a reliable freight forwarder. (Namaste Cargo Nepal (P) Ltd 2020.) At last, when the products have reached in EU customs and are

cleared, they are released in free circulation and are EU verified product. Below, we'll go through all the specifications and procedures for exporting from Nepal and importing into Finland in depth.

3.4.1 Import Process of Finland

The import process in Finland involves several key steps, with transportation being a fundamental aspect of it. Importing goods into Finland refers to purchasing items from countries outside of Finland, including those that benefit from preferential arrangements like the Everything But Arms (EBA) under the EU's Generalised System of Preferences (GSP). (Tulli 2023.)

The transportation of goods is a critical factor that importers need to carefully plan. This includes selecting the most suitable mode of transportation, such as sea freight, air freight, or road transport, to ensure that goods arrive safely and on time. Importers often collaborate with reliable carriers or freight forwarders to facilitate the secure and efficient delivery of goods. When goods are imported into Finland from outside the EU, they may be subject to various taxes and tariffs, including the Value Added Tax (VAT). While the standard VAT rate is 24% and the custom duty is 8% for the Nepal's pashmina product, it's important to note that the actual VAT rate may vary depending on the specific product and the country of origin. (Tulli 2023.)

Additionally, other import tariffs and customs duties are calculated based on factors such as the commodity code, origin, and customs value of the goods. In addition to transportation and taxation considerations, importers must ensure compliance with Finnish regulatory standards and requirements. This involves verifying that the imported goods meet these standards and obtaining any necessary permits or certifications. Importers are also responsible for maintaining meticulous records of all import-related transactions, including invoices, shipping documents, certificates of origin, and customs declarations. Proper record-keeping is essential for demonstrating compliance and addressing potential issues. (Tulli 2023.)

In summary, the import process in Finland involves careful planning of transportation logistics, consideration of VAT rates and import tariffs based on product and origin, and strict adherence to regulatory standards, along with thorough documentation practices. These steps are crucial for successful importation and trade, especially when dealing with goods imported from countries benefiting from preferential trade agreements like GSP. (Tulli 2023.)

3.4.2 Export Process in Nepal

Nepal, as a landlocked nation, has traditionally relied on road transportation for its mobility needs. However, recent years have witnessed substantial infrastructure enhancements, leading to the integration of air, road, and land networks. This comprehensive transformation has effectively facilitated the seamless transportation of goods and services both domestically and internationally. Such progress has been achieved through mutual understanding and collaborative partnerships with foreign trading counterparts. The goods are mainly exported through freight or air cargo services by reaching into agreements with shipping companies outside the country. A variety of laws and regulations govern the export of goods from Nepal to foreign nations. Firstly, there needs to be bilateral treaty signed between Nepal and Finland. There are series of steps to be followed when exporting and is discussed below. (Namaste Cargo Nepal (P) Ltd 2020.)

Firstly, a company is needed to be registered in Nepal. Unregistered companies are not able to export products as of rules and regulations. Certificate of origin (COO) is required by the Nepalese customs, and it is issued by associations called Trade and Export Promotion Centre (TEPC), Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Nepalese Chambers of Commerce (NCC). Secondly, every company must complete tax registration, including obtaining a permanent personal account number (PAN). For a registered industry, obtaining a license from a local tax office is mandatory. The tax bureau issues a certificate of income tax registration, which must be renewed annually within the first three months of each taxation year. (Namaste Cargo Nepal (P) Ltd 2020.)

Afterward, the exporting company must open a bank account with a commercial bank in its name. This account will be used for all financial transactions related to the export, which will be conducted through wire transfers. You must also fill out BiBiNi 1 and BiBiNi 2 forms and submit them to the commercial bank as per foreign exchange regulations. When these steps are completed, EXIM (Export and Import) code is needed to obtain before starting the trade. The code is issued by Department of Customs and the following documents mentioned above must be submitted to the online portal. (Government of Nepal, Ministry of Industry, Commerce and Supplies Trade and Export Promotion Centre 2018b.)

Additionally, the applicant must mail the physical copy of the documents and provide a cheque deposit of NRS 300,000 from a class A bank authorized by Nepal Rastra Bank. Once the application is fully

submitted, the code will be issued within a week. (Government of Nepal, Ministry of Industry, Commerce and Supplies Trade and Export Promotion Centre 2018a.) When all the needed documentation is acquired, contract agreement can be done between seller and buyer can be done to start the business. After successful negotiations, the importer sends a proforma invoice containing product details, price, quantity, payment terms, packaging, scheduled shipment date, and delivery method. An export contract may be signed by both parties once a deal has been reached between the exporter and the buyer. The contract should specify what is the incoterm used and how the risks are divided. (Government of Nepal, Ministry of Industry, Commerce and Supplies Trade and Export Promotion Centre 2018b.)

3.5 Market analysis and competitors' analysis

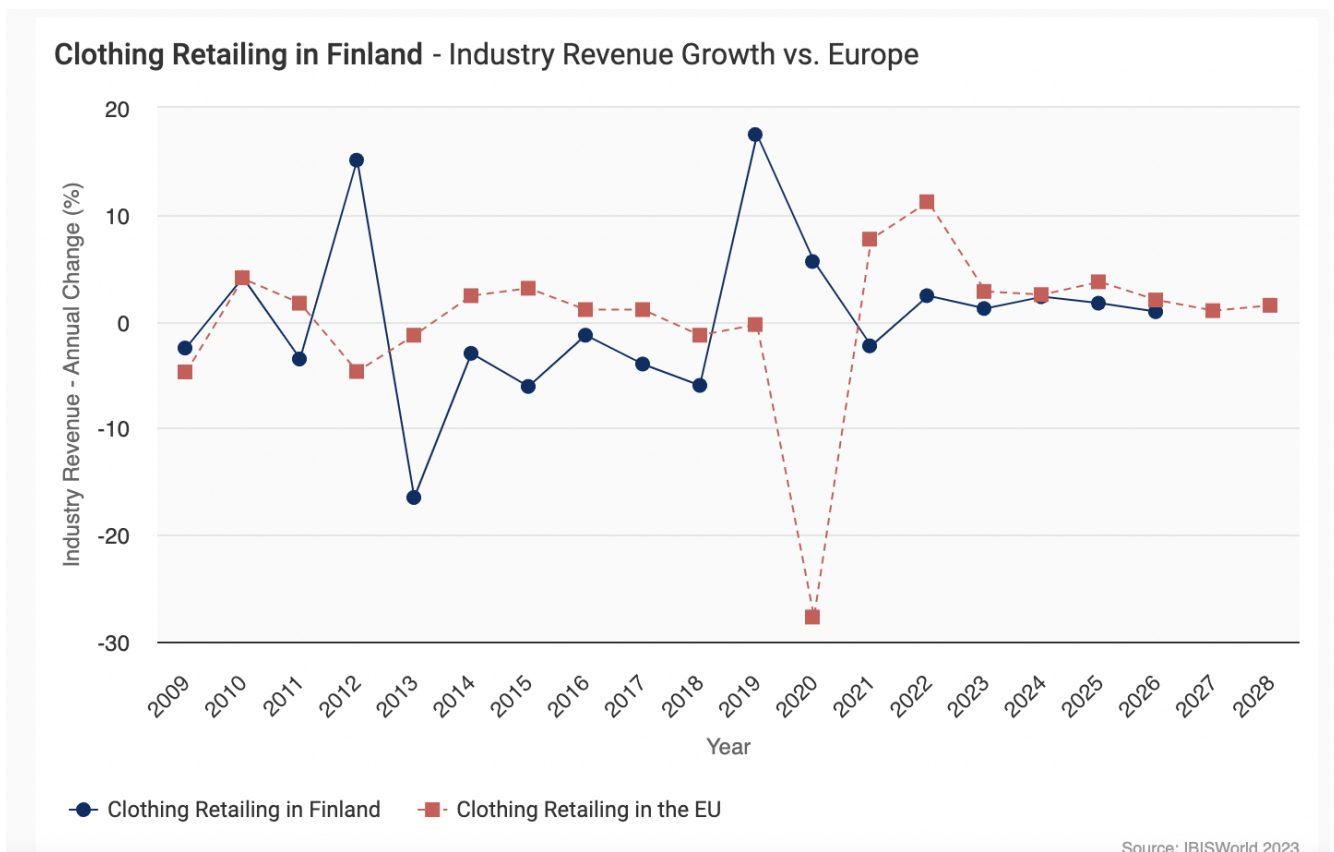
The market analysis section gives information about the market segment of the business. This analysis also serves as the framework for the marketing and sales strategy. The market analysis evaluation helps to analyse the target market and the competitors. There can be three main parts of this section: industry analysis, Target market analysis, and Competitive analysis. In general, these parts highlight the analysis of the competitive entire industry environment, identify the target market, and characterize the competitors. (Parsons 2018)

3.5.1 Industry analysis

Industry analysis includes detailed statistics on the garment industry in Finland which defines its size, growth, and trend. Finland is a developed Nordic country with a low population of approximately, 5.5 million. High purchasing power and a priority on quality and sustainability govern the economy of Finland. The Finnish clothing and Fashion industry has a growing demand for luxury and high-end products. The retailing clothing industry of Finland is worth €1.6 billion while out of 27 European countries, it is ranked 17th in 2023. This industry remains steady since 2018 in the same position. According to IBS world analyses, out of 289 total industries, the clothing retailing industry remains in the 69th position as the largest industry in Finland in 2023. (IBISWorld 2023.)

Finland has more than thousands of clothing retailing enterprises with an average annual growth of 2.2 % in five years between 2018-2023. Between 2018 and 2023, the market size of the Finnish clothing retailing industry increased by 4.7% year on average. In recent years, comparing the clothing retailing

industry of Finland versus Europe, the market growth size of Finland is 1.2%. According to the industry revenue figure below, it is clearly seen that the market in Europe has declined drastically since 2019 due to the impact of Covid-19. In contrast, Finnish market has rapidly increased since 2020 with a slight declination in 2023. However, the Finnish market has steadily fluctuated from 2021 to 2023 and has forecasted the same pace till 2026. (IBISWorld 2023.)



Picture 3. Clothing Retailing in Finland - Industry Statistics 2008–2026 (IBISWorld 2023.)

3.5.2 Target market analysis

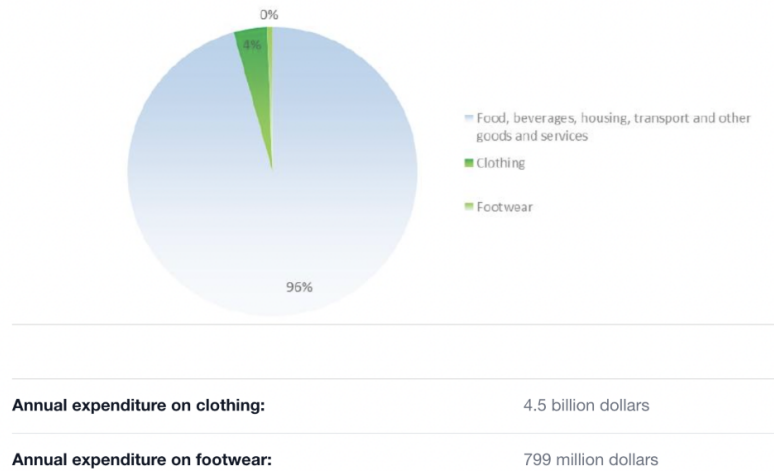
The target market data includes information on target market size, customer purchasing power, and your intention to reach the market. This area also helps to know your ideal customers, by targeting their age, gender, income levels, and lifestyle preferences. Finnish people are more stylish and fashionable, so Finland has high market opportunities for eco-friendly products like pashmina. (Williams 2022.)

The first step in conducting a target market analysis is identifying target market segments. The target market segments for my products are people aged between 20-35, especially, ladies are highly focused. These segments are independent and active working individuals of Finland. The ladies are highly targeted for pashmina products as they are trendy and fashionable, while their purchasing seems more than gents. Whereas, some men's products, baby products, and other uncategorized products will also be on exhibit to represent the pashmina market. It is said that "Women tend to shop more than men." So, it is obvious that their need and preferences for luxury fashionable products like pashmina are higher in this global fashion world.

Nowadays, the internet has a greater impact on everyone's life, so people highly prefer to buy in their own homes rather than visit shops. Women are also habitual in buying branded clothes while pashmina is itself a new luxury brand in Finland. Therefore, understanding their preferred shopping habits and shopping channels, both online and retail service will be available for the pashmina products.

According to the fashion statistics of Finland, the import of apparel and textiles accounted for higher value than export. In the import of apparel and textiles, women's wear and clothing accessories are valued more than men and babies. The figure below clearly shows that the annual consumer expenditure on clothing is worth 4.5 billion dollars higher than the annual consumer expenditure on footwear worth 799 million dollars. However, this fashion data displayed that people have higher purchasing power and objectives on clothing. (Fashion United 2023.)

Consumer Expenditure



Picture 4. Fashion Statistic Finland, consumer expenditure (Fashion United 2023.)

3.5.3 Competitor's analysis

The competitor's analysis in the market analysis section is very crucial. It is very important to understand your competitor to be capable of outwitting the strongest rivals. By conducting competitors' analysis, the market gap will show where to develop your offerings and internal weakness will show where you are at risk of losing customers. Competitor intelligence plays an important role in examining the key competitors that offer similar products to your target market. Whereas the SWOT analysis also leads with the strengths, weaknesses, opportunities, and threats of your target market. It is used to identify your competitive advantages and disadvantages by comparing your own strengths and shortcomings with those of your rivals. (Startups 2018)

In the fashion industry of Finland, there are many small and medium-sized retail enterprises holding their own brand and position in the market. According to Jansa Collection Oy's owner, our well-established competitor is Marimekko, one of the biggest Finnish brands growing its retail sales nationally and internationally. Also, there are other old and developing competitors such as Nepaleska, Garuda,

and Indiska. These competitors' market-only branded products and these companies must be considered before entering the market. The company has new products, and it is challenging to establish a new brand in the Finnish market. Nepali pashmina is not widely available which makes them an untapped market. The untapped market is thrilling and hard to speculate. So, the company must demonstrate that these untapped markets exist, and it is capable of handling them quickly and expertly as other competitors.

3.5.4 SWOT Analysis

This part provides a comprehensive examination unfolds, exploring the strengths, weaknesses, opportunities, and threats associated with the introduction of pashmina products into the Finnish market.

TABLE 1. SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. High-quality materials and intricate craftsmanship lead to strong selling points in the Finnish market. 2. Luxury and elegance products which values premium in the market like Finland. 3. Wide range of products and services for Fashion lover customer market. 4. Finnish customers will be attracted to the distinct ideas of in-house production from the Himalayas with unique culture and exotic appeal 5. Choices of wearing the many pashmina products in various ways that can be attractive to Finnish customers who seek practicality and adaptability in their clothing sense. 6. Relatively not so high price for the luxury and quality products. 	<ol style="list-style-type: none"> 1. Entering a new market, means always must be ready to face uncertain situations and unexpected changes. 2. Price points can deter price-sensitive customers who depend upon only affordability. 3. Due to third-party suppliers, there will be no control over the production process, quality standards, work delays, and custom issues.

TABLE 1. (continues)

<p>7. Most of the pashmina products are suitable for the cold climate of Finland.</p>	
<p>Opportunities</p> <ol style="list-style-type: none"> 1. The growing fashion market presents an opportunity to tap into the customer’s preferences. 2. High seasonal demand for pashmina could provide an opportunity for marketing campaigns and targeted promotions. 3. E-commerce and online sales offer a way to connect with a larger Finnish audience outside traditional brick-and-mortar retailer. 4. An overall increase in consumer spending on high-end and fashionable goods. 5. Company can have profit due to low production costs of Nepal 	<p>Threats</p> <ol style="list-style-type: none"> 1. The fashion market of Finland is highly competitive. 2. Difficult to stand out against well-established fashion brands in the Finnish market. 3. All Finnish consumers may not resonate cultural significance of pashmina, which will result in a lack of interest. 4. The business must be ready for the new trends as its growth and effectiveness may be threatened by the changing fashion trends. 5. Several fashion businesses are presently lowering their prices which could impact consumer spending on luxury items like pashmina products.

To sum up, selling pashmina items in Finland has both opportunities and challenges. It will be essential to capitalize on strengths like quality, luxury, and versatility while addressing weaknesses like price sensitivity and climatic compatibility. A successful market entry plan will also depend on knowing the trends and preferences of the local market and differentiating our business from competitors. (Shopify 2023.)

3.5.5 Competitive Advantage Audit

Competitive Advantage Audit will outline the primarily settled competitors like Marimekko and helps us to set our brand apart.

TABLE 2. Competitive Advantage Audit (Ihamuotila, Alahuhta-Kasko, Wikberg, Bay, Cheng, Strohmayer, Niikko, Härkönen, Anckar & Alahuhta 2022)

Type	My company	Competitors 1 Primary
Price point	20 € - 400 €	40 € - 510 €
Target audience	Mostly ladies ages between 20-35	All age groups focused on women's wears
Offerings	Clothing accessories	Clothing, bags, and home decors items
Key competitive advantage	Affordable price and quality products	A globally renowned brand serves around 40 other countries
Sales channels	Online and retail store	Online serving 35 countries and 150 Marimekko stores

TABLE 2. (continues)

Marketing strategy	Website and YouTube tutorials, Facebook, and Instagram ads.	Event marketing, digital presence, content marketing, social media marketing, customer subscription, scale, influencer marketing, SEO
Means of support	Emails, Live chats, and Facebook Chats	Emails, word of mouth, live chats
Shipping	Free shipping over 60 €	Free shipping over 100 € when sign up
Strength	High quality and craftsmanship products leading strong selling point	wide range of patterns and the creativity of the design idiom
Weakness	Entering Finnish market with new brand	This pricing strategy might make them less accessible to price-sensitive consumers
Opportunity	Expansion of e-commerce and online sales	Sustainability focus, digital engagement, and collaboration
Threats	Highly competitive market and change in consumer preferences	Competition, economic downturn, supply chain disruptions

3.6 Marketing Plan

It is important to remember that developing a brand and recognition takes time. As a start-up, step-by-step actions to create a strong foundation without exceeding a limited budget should be our primary

focus in the initial phase of marketing. So, by understanding the techniques of marketing and knowing the best for our target market, the company will be building an online presence in the beginning.

Firstly, the company will create a professional website representing our brand and accessing the target market experience. Then, start content marketing by setting up a profile on social media platforms, and creating valuable content based on the target audience's interests.

About 2.9 billion people are engaged in Facebook. The company will focus on its Facebook page and other networking channels to advertise our new pashmina products. The content strategy will be diversified by sharing and utilizing the content format in videos on websites and different social networking channels. Email marketing will be another marketing step in which some discounts will be provided to the target market in exchange for an email subscription. While regular content, promotions, and updates will be shared through email. Moreover, the customer's feedback will be gathered from day one and it will be utilized to improve our products and services based on customer input.

3.7 Financial Projections

The crucial areas of investment calculations, profitability calculations, and sales calculations will be covered in this section. To arrive at these figures, the estimated prices and costs from various reliable sources has been analysed, including online resources, and insights gathered from discussion with Jansa Collection's owner and Nepalese business owner established in Finland. A powerful tool, Microsoft Excel will be used for a precise calculation in this part. (Eemeli 2018)

Furthermore, I engaged in valuable discussions with Jansa Collection's owner and Nepalese entrepreneurs who have successfully entered the Finnish market. These discussions gave crucial information about general expenditures and financial aspects of similar businesses. So, I have integrated these insights into the calculations mentioned earlier, ensuring that the financial projections are grounded in real-world observations.

3.7.1 Investment calculations

The establishment of the business requires accurate evaluation of the financial needs and resources. Investment calculations encompasses various aspects such as establishment costs, share purchases,

production down payment, travel expenses, office supplies, marketing initiatives, technology expenses, working capital, and a cash reserve. Moreover, the sources of funding and the necessary expenditures for the firm during its early stages are indicated in the investment calculation.

TABLE 3. Investment calculation

Investment calculation	
Establishment costs	330
Share purchase	2500
Down payment for production	13000
Travel expenses	2000
office supplies	550
Marketing investment	4000
Technology expenses	1500
Working capital	5000
Cash reserve	1000
Total expenditure required	29880
Sources of Funding	
Equity	
Shareholder's investment	12000
Nordea loan	12000
Other lenders	6000
Total sources of Funding	30000

The table above illustrates all the fundamental requirements for the start of a new business. The calculation adds all the required expenses, such as phone, website, official supplies, and travel expenses, for the visit to the production site at least twice a year. It also displays the total sources of funding from the shareholders, loans from the bank, and lenders. There are 2 shareholders who will be fully responsible for the operation of this company, and both will be financing 6000 euros each. Moreover, the lender will be the Nepalese restaurant owner, who is also one of our relatives and has been running his business for 15 years in Helsinki. So, the total sources of funding of 30,000 euros will be sufficient to cover the total expenditure required in the initial phase.

3.7.2 Profit plan/ Budget calculations (Yearly)

In this section, a detailed examination of the annual profit plan and budget calculations is presented. The focus is on forecasting revenue, analysing costs, and determining the overall financial outlook for the business. This financial planning helps in decision-making and resource allocation in ensuring business's financial growth and sustainability.

TABLE 4. Profit plan/ Budget calculations (yearly)

Products	Competitors price range	Purchase price per unit	Selling price per unit	Estimated units to be sold	Purchases per year	Sales per year
T-shirts	147-490	87 €	156 €	360	31 176 €	56 117 €
Scarfs and mufflers	from 90-500	27 €	67 €	600	15 960 €	39 900 €
Shawls	200-500	92 €	174 €	720	66 096 €	125 582 €
Blankets	645-1600	166 €	416 €	240	39 888 €	99 720 €
gloves	67-99	42 €	55 €	480	20 256 €	26 333 €
Beanie	82-104	48 €	68 €	720	34 848 €	48 787 €
Socks	80-100	48 €	65 €	360	17 424 €	23 522 €
Total		510 €	1 000 €		225 648 €	419 962 €

TABLE 5. Fixed Costs

Fixed Costs	EUR per month	Yearly
Rent	2000	24000
Utilities	100	1200
Owner Salaries	3000	36000
Inventory Cost	50	600
Marketing	200	2400
Maintenance and decor	80	960
Insurance	120	1440
Loan	260	3120
Transport and delivery cost	100	1200
YEL	720	8640
Bookkeeping expenses	135	1620

TABLE 5. (continues)

TABLE 5. (continues)

Technology	200	2400
Security	50	600
Transport and delivery cost	100	1200
Office Supplies	100,0	1200
Total	7215	86580
Revenue	419 962 €	
Cost sold per unit (COGS)	225 648 €	
Gross profit	194 314 €	
Net Profit	107 734 €	
Profit after tax	86 187 €	(20% corporate tax of the profit)
Profit margin	21 %	

In this part of financial planning, the estimated net profit has been calculated as shown in the table above. Sales forecasting is the first step in which the prices of each product are calculated by projecting competitors price range from one of the best online-pashmina sellers. The purchase price per unit is estimated by adding transportation costs and customs duties in the average of wholesaler's price for each product. Whereas the selling price for each product is estimated by using the same purchase price with 125% of contribution margin. The total sum of sales per year or revenue is 419 962 € which is calculated by multiplying the per unit sales and estimated units to be sold for each product. Similarly, the total sum of purchase per year or Costs of goods sold per unit (COGS) is 225 648 € which is calculated by multiplying the purchase per unit and estimated units to be sold for each product.

In the next table of Fixed Costs, the total estimated fixed costs, or the operating expenses per month and per year is calculated by adding all the business expenses including rent, utilities, owner salaries, inventory cost, marketing, maintenance and decor, insurance, loan, transport, and delivery cost, YEL, bookkeeping expenses, technology, security, transport and delivery cost and office supplies. After calculating all the estimated operating costs, revenue, and COGS, gross profit is calculated by subtracting the Costs of goods sold (COGS) from the estimated revenue while the net profit is calculated by subtracting the total operating expenses from the gross profit. The net profit represents the profit after accounting for the costs of running business. Moreover, the final estimated profit after 20% corporate tax is 86 187 €, which is available for distribution or reinvestment.

4 CONCLUSION

In conclusion, this thesis has examined the demanding circumstances of starting a pashmina-based firm in the Finnish market. The process of building a brand and gaining recognition requires a multidimensional strategy that includes careful planning, strategic marketing, and reliable financial projections. These components can be combined to create a successful business enterprise. This thesis has examined the challenges of starting a pashmina-based company in Finland simultaneously navigating the difficulties of import and export procedures between Nepal and Finland.

Import and export processes are integral components of international trade, and in our case, they are essential for bringing high-quality pashmina products from Nepal and introducing them to the demanding Finnish market. The import process involves careful planning of transportation logistics, compliance to Finnish regulatory standards, and documentation procedures. To ensure the efficient flow of goods into Finland, it is crucial to choose the most appropriate mode of transportation as well as understand the implications of taxes and tariffs. Simultaneously, important steps in the export process in Nepal involve complying to export rules, obtaining necessary permissions and licenses, and following customs procedures. The procedure is completed when the items are allowed to move freely through EU customs, becoming EU-verified commodities prepared for the Finnish market.

Moreover, market analysis and competitor analysis have highlighted the particular opportunities and challenges of the Finnish fashion industry. The wealthy market in Finland, high purchasing power, and focus on quality and sustainability create a favourable environment for establishing luxury pashmina products. We can strategically position ourselves to succeed in this competitive environment by focusing on the target market groups, especially fashion-conscious ladies aged 20 to 35, and differentiating our brand from well-established competitors like Marimekko.

The marketing strategy presented in this thesis emphasizes the significance of constant brand development, especially in the initial phases of the company. A key element is the digital world for creating brand awareness and attracting potential customers. The strategy is made to effectively engage the target audience, from building a business website to utilizing social media and email marketing. To develop a loyal customer base and establish a strong online presence, it is important for us to understand the preferences and behaviors of the Finnish market.

It is crucial to keep in mind that success is a result of flexibility and resilience as we set out on this business journey. The market in Finland offers both opportunities and difficulties due to its specific demands and competitive environment. The key components of our journey will be continuous monitoring of marketing strategies, giving priority to market trends, and effective financial management. Financial predictions have provided a clear picture of the required investments and possibility for profitability. The precise estimation of expenditures, revenues, and profits acts as a road map for the financial development of the company. By securing adequate funding from various sources and effectively managing expenses, the business is set for sustainable growth.

To sum up, the reader will have an overview of creating a business plan and traits of trade from the theoretical part. This thesis has given a comprehensive strategy for starting a successful pashmina business in Finland. I am well-prepared for the journey ahead by integrating the import and export procedures with wise market analysis and financial preparation. I look forward to overcoming the gap between Nepal and Finland through commitment, a devotion to quality, and a customer-centric approach, as well as creating a long-lasting impact on the Finnish fashion industry.

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The following are the interview questions given to Mr. Cattavarayane Sandhanakrishnan, owner of Jansa collection oy:

1. When and where is your business established?

Jansa collection oy was established in 2021. And the business is situated in Tikkurila, Vantaa.

2. What is the goal of your business?

The goal of the business was to offer our products and services to Indo-Asians while also introducing it to the Finnish market.

3. What are your target products and Who are your target customers?

Our target products are the vivid collections of Sarees, Blouse, Salwar Kurta, Kurta tops, Lehenga and gowns, Kids wear, Handbags and jewellery. We also offer various party wears and designer collective. Whereas our targeted customers are all aged groups of Asian people who enjoy wearing traditional cloths and jewellery.

4. What is the price range of your products?

The price of our products varies according to its design and quality material in reasonable price ranges between € 10- € 2000.

5. From which country do you design your products?

Our company mostly buy final products, 80% from different parts of India and 20% from Sri Lanka. We are also trying to increase our products by importing from African Countries and other Asian countries. In addition, the raw materials are imported from various countries, including India, Sri Lanka, Nepal, Bangladesh, Pakistan, and African countries.

6. How do you import your products from different states of India?

80% of the products are manufactured and collected from the different parts of India and 20% of them from Sri Lanka. Then, the products will be imported directly from our supplier with the help of freight forwarder/Career company. In order to get my products, the freight forwarder will handle all the administrative tasks such as payment of customs fee, VAT and other shipment related tasks in a safest, most efficient and cost-effective way.

7. What is the primary strength and weakness of your company?

The major strength of our company is having a unique cultural appeal, offering quality products in reasonable price can be our strong selling point. Whereas our primary weakness is the difficulty in differentiating our brand from well-established competitors while entering a competitive Finnish market.

8. Who are your major competitors in Finnish market?

The primary rivals of are various branded retail clothing store who has entered the Finnish market successfully.

9. How do you sell your products?

The retail store is available for the visit near Tikkurilla train station while Jansa website and JC application is available for the online sale. We also accept the order from different social media platforms with a free delivery over 75€.

10. What sort of present marketing strategies are you applying to get success?

Both online presence and retail store is available for the customers while our present marketing tactics are focused on JC application and different social media such as Facebook, Instagram, YouTube and TikTok.

11. What is the next step of your marketing plan?

Our business is a recently established company, so focusing on the digital marketing is our next step to promote our products and services rapidly in the digital world. Furtherly, different TikTok campaigns and unique Facebook content will be developed to reach a high number of customers.

12. How is the financial performance of your business comparing to the past years?

The financial performance of our business is impressive comparing to the past years with both sales growth and profitability rising.

13. How are you planning to develop financially in future?

For the further growth, the company has also implemented several strategic initiatives, such as growing its online of clothing and investing in the marketing sector.

14. Do you think importing products from Asian countries and selling it in Finland is profitable?

In my opinions, importing products from Asian countries can be profitable depending on operational efficiency. As we know the labour costs are quite cheap in Asia so we can manufacture high quality products in cheaper price and sell it with competitive price in Finland. Whereas, importing from Asian countries and focusing on Asian only as a target market in Finland can be relatively challenging. It is because Asian people are very less in Finland and buying performance will be low which will significantly affect on the operational costs. As we know that storing rent in Helsinki-Vantaa is very high but if you focused on online store, it can be more profitable.

Appendix 2

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	B	C	D	E	F	G	H
1		Column1	Column2				
2		Investment calculation					
3		Establishment costs	330				
4		Share purchase	2500				
5		Down payment for prod	13000				
6		Travel expenses	2000				
7		officesupplies	550				
8		Marketing investment	4000				
9		Technology expenses	1500				
10		Working capital	5000				
11		Cash reserve	1000				
12		Total expenditure requir	29880				
13							
14		Sources of Funding					
15		Equity					
16		Shareholder's investmen	12000				
17		Nordea loan	12000				
18		Other lenders	6000				
19		Total sources of Funding	30000				
20							
21							

Sheet1

Calculation Mode: Automatic Workbook Statistics Give Feedback to Microsoft 130%

Excel Financial plan for theis - Copy - Copy

Search (Option + Q)

File Home Insert Draw Page Layout Formulas Data Review View Automate Help

Comments Catch up Editing Share

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	B	C	D	E	F	G	H	I	J	K	L	M	N	O
63														
64		Profit Plan/Budget Calculation (Yearly)												
65														
66		Products	Competitors Price	Purchase Price per unit	Selling Price per unit	Estimated Units to be sold	Purchases per year	Sales per year						
67		T-shirts	147-490	87 €	156 €	360	31 176 €	56 117 €						
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73		Socks	80-100	48 €	65 €	360	17 424 €	23 522 €						
74		Total		510 €	1 000 €		225 648 €	419 962 €						
75														
76		Fixed Costs	EUR per month	Yearly										
77		Rent	2000	24000	Revenue		419 962 €							
78		Utilities	100	1200	Cost sold per unit (COGS)		225 648 €							
79		Owner Salaries	3000	36000	Gross profit		194 314 €							
80		Inventory Cost	50	600	Net Profit		107 734 €							
81		Marketing	200	2400										
82		Maintainance and decor	80	960	Profit after tax		86 187 €	20% corporate tax of the profit						
83		Insurance	120	1440	Profit margin		21 %							
84		Loan	260	3120										
85		Transport and delivery c	100	1200										
86		Yel	720	8640										
87		Bookkeeping expenses	135	1620										
88		Technology	200	2400										
89		Security	50	600										
90		Transport and delivery cos	100	1200										
91		Office Supplies	100.0	1200										
92		Total	7215	86580										
93														

Sheet1

Calculation Mode: Automatic Workbook Statistics Give Feedback to Microsoft 90%