

## Temwa Sewing Group IGA Business Plan

Name of Group: Temwa Mother Group	Project Group: Sewing Products	Date: 29/3/2016
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### **Business Organization**

#### **Our Mission**

To sew a wide range of unique and quality products, with an African touch/design, for tourists and Malawians in order to generate a sustainable income for the women in the group.

#### **Roles**

Treasurer	Handles the group's expenses and revenues. Responsible for the group's bank account. Also keeps a record of the assets used by the group such as the sewing machine, needles and other material. Keeps track of sales records. Keeps women accountable if there are any discrepancies.
Secretary	Point of contact for the group. Records attendance and minutes of meetings.
Chairlady	Makes important decisions for the group and generally represents the group at meetings. Makes plans for and organizes business in the interest of the whole group.
Member	Advertise the business and makes products.

#### **Regulations**

1. Start every day with a prayer.
2. If a person is late they must pay 50 kwacha.
3. If a person is accused of stealing, they must meet with the whole group. If they are found guilty, they will be reported to the police where discussions will take place to decide how to recover what was stolen. The culprit is removed from the group.
4. If someone is absent without an excuse they must pay 100 kwacha.
5. If someone works with competitors, they must meet with the group for a discussion. If insufficiently explained, they will be removed from the group.
6. If someone is seen to not be performing a specifically assigned task (like sewing pads or bags) they have to pay 20 kwacha.

#### **Operations**

The business will sew good quality products from raw materials, sourced from various towns including Mzuzu, Karonga and Uliwa, and sell them to make a profit. The products will be made in Hangalawe Primary School after school hours. Equipment will be stored in a room at the school that the head teacher has agreed can be used for free. These products will be sold in Uliwa in the D2D shop and prior to this, products will be sold at Maji Zuwa and

Hangalawe; exhibited at Thunduzi, Viphya and Koyi High View Lodges. Products will be transported via walking, bicycle or taxis as a last resort. The business will be advertised by members of the group to attract customers. Products that will be made include tote bags to begin with, followed by expansion into head bands, scrunchies and wall hangings. Eventually a large range of products will be available, both low cost practical products for locals and high cost attractive products for tourists.

### Marketing Plan

#### **Customers**

1. Tourists visiting lodges
2. Locals in the community and surrounding areas

#### **Differences:**

The tourists that the business is targeting are those that will be going to Maji Zuwa, as Maji Zuwa is the lodge that receives the most tourists consistently. These tourists will be able to access the products very easily from Maji Zuwa. Tourists are willing to spend money on the products due to the African nature and would take them as souvenirs. Locals in the community however will have to access products right in Hangalawe and will be willing to spend less on the products than the tourists. However, locals will buy products they know match the value of the price. It is therefore easier to sell to the tourists than the locals. Niche products will have to be made for the locals in and around the community. There are other lodges (Viphya and Thunduzi) where the products will be exhibited.

#### **SWOT**

##### Strengths:

- Selling goods that are not perishable, hence they are easy to store and transport.
- The group has one member that was professionally trained as a tailor.
- Luso La Manja have shown that there is potential for a business like this to succeed in Malawi.
- The market in Uliwa does not have as many quality sewed products.

##### Weaknesses:

- The women require a lot of training to create unique, quality and durable products.
- The women may want to leave all the work to the tailor which would lead to the group not progressing with their sewing skills.
- Slow progress in training as they only have two sewing machines to use.

##### Opportunities:

- Can branch out into many different products with different applications based on sewing skills.
- There are a great number of resorts/lodges around Chilumba and tourists are very interested in African and cultural products.
- NGO company employees that go out for field work to Karonga and Chitipa pass by quite often.

##### Threats:

- There are a lot of tailors in Uliwa market and could replicate the products that the women are sewing.
- Price fluctuation in materials will cause price of products to change.

- Tourist market is seasonal and sales would significantly fall during the off season.

### Competition

#### Competition (Same):

1. Luso La Manja
2. Manchewa Mountain Mama's

#### Differences:

The products being made will be very different from the products these groups are making. The Manchewa Mountain Mama's make very simple products from chitenje, such as bunting and napkins and are located near Livingstonia. Luso La Manja make high quality products like laptop sleeves and tend to sell these products online for very high prices. Temwa Mothers group will be filling in a middle market in the Chilumba region, making high quality products and selling to tourists for a reasonable profit but far below the prices of Luso La Manja. These products will include very specific and stylish items like water bottle holders, head bands and wall hangings. Temwa Mothers group will also cater to the locals, selling cheap but practical products like Tote bags.

#### Competition (Alternative):

1. Tailors around Uliwa.
2. Shops in Uliwa market like Dapp.

#### Differences:

The business' target market includes tourists which local tailors do not look at. Tailors in Uliwa do not sell specific products, rather they sew on order and also mend customers' clothes, bags, etc. DAPP has second hand products, mainly clothes, which tourists and other locals may not like to buy. DAPP products are not African or have an African design, and this is what the business is trying to sell.

#### Comparison:

The group and tailors in Uliwa all have the same access to raw materials, therefore differentiation, at the moment, will not necessarily be by material. Since the women plan on sewing school uniforms, this is something tailors also do.

### Market Research

#### Market Sales Prices:

At the moment, there are no products, like the ones being sewed by the women, in and around Hangalawe.

#### Your Sales Price:

<i>Item</i>	<i>Price</i>
<i>Basic Tote Bag (Big)</i>	K3,500
<i>Basic Tote Bag (Small)</i>	K3,000
<i>Laptop Bag</i>	K6,500
<i>Bottle Bag</i>	K2,500
<i>Phone Bag/Pouch</i>	K1,000

### Financial Section

#### Input Costs:

<i>Item</i>	<i>Cost</i>
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One metre of cotton material (Lining)	K800 and K1500.00
28 metres of cotton material (Lining)	K20,000.00
Wax Material (Chitenje) 2 metres	K3,000
Non-Waxy material (Chitenje) 4 metres (This ranges depending on the quality)	K2,600 to K3,700.00
Buttons (small)	K5.00
Buttons (big)	K10.00
Zip (there are various sizes in the market)	K50 to K400.00
Thread (big)	K500.00
Thread (small)	K200.00
Transport to and from Uliwa	K300.00
Stiffening (1 metre)	K1,200

**Approximate/Estimated Cost Prices of Bags:**

*Tote Bags*

<b>Item</b>	<b>Cost</b>
2 metres Wax Chitenje	K3,000.00
2 metres Lining Cloth	K1,600.00
Labour	K3,000.00
Thread	K200.00
Transport	K300.00
<b>Total</b>	<b>K8,100.00</b>

The above items make 3 big basic tote bags, therefore it costs about K2,700 to make one big basic tote bag out Wax Chitenje.

<b>Item</b>	<b>Cost</b>
4 metres Non-Wax Chitenje	K3,500.00
4 metres Lining Cloth	K3,200.00
Labour	K6,000.00
Thread	K200.00
Transport	K300.00
<b>Total</b>	<b>K13,200.00</b>

The above items make 6 big basic tote bags, therefore it costs about K2,200 to make one big basic tote bag out of Non-Wax Chitenje.

**Bottle Bags**

<b>Item</b>	<b>Cost</b>
Non-Wax Chitenje ¼ of a metre	K650.25
Lining Cloth ¼ of a metre	K200
Labour	K1,200.00
Stiffening	K300.00
Thread	K200.00
Transport	K300.00
<b>Total</b>	<b>K2,850.25</b>

Therefore it costs K2,850 to make one bottle bag.

#### Laptop Bags

<b>Item</b>	<b>Cost</b>
<i>Non-Wax Chitenje</i>	K132.00
<i>4 metres Lining Cloth</i>	K163.00
<i>Zip (Big)</i>	K250.00
<i>Zip (Small)</i>	K200.00
<i>Stiffening</i>	K1,200.00
<i>Labour</i>	K1500.00
<i>Thread</i>	K200.00
<i>Transport</i>	K300.00
<b>Total</b>	<b>K3,945.00</b>

Therefore a laptop bag should cost between K3,500 to K4,000 depending on the size.

#### Phone Bags/Pouches

At the moment, the women are making phone bags/pouches out of damages (the remaining material) after cutting out cloth for laptop, bottle and tote bags.

#### **Notes**

Once the business is up and running, the women could expand into:

- Custom made products for locals and long stay tourists. For example use of specific chitenje material or designs.
- Selling their products at different locations like lodges at Thunduzi, Viphya, Koyi High View and Sangilo.
- Make an online shop to access a wider Malawian and global market.