

Final Project Overview:

Good News ! Your LLC just qualified for a \$25,000 line of credit to start your new fashion business. Moreover, you just received your first order from the **Target Online Store**. They are requesting 144 pieces of each of your 6 styles (144 X 6 = 864). You can decide the sizes (if applicable), and colors. Your goal is to make a 66% profit margin after Target gets its 15% off each sell

You will upload all your styles to <https://imgur.com/upload> and post your **Direct Completed Links** from Imgur to the Target Catalog Spec Sheet (**Target_Spec_1.0.xlsx**)

Your Target Spec sheet must have 6 unique SKU Numbers and 6 unique Barcodes. Also must contain various product information (**Target_Spec_1.0.xlsx**)

The contract states that you will provide self fulfillment and free shipping to Target online customers. You will use the Excel Spec sheet provided to you from Target to create the catalog of product information. In the real world you, once you have completed the Excel Spec Sheet you would upload it back to the Target online portal.

You have decided to produce these products overseas and plan to have them ship the products directly to your USA LLC address. Remember, your LLC address can be your home, apartment, or business location. You will do all shipping to Target customers from your LLC location.

You have to determine the weight of your items, and the number of boxes needed to ship the items to you from overseas. In the real world your international manufacturer would decide the box sizes - Don't let them! If your boxes are not the optimum size you will be charged more for shipping. **Beware:** International shipping companies like DHL apply a volumetric formula which charges you more for volume mass. In short, the more boxes you have, the more space needed to ship your products which increases shipping costs. When shipped your boxes will contain on the outside a Waybill for each individual box (a Waybill is a way for International shipping companies to track your items when imported from overseas).

You have the option of selecting a manufacturer from the following countries: Bangladesh, China, Haiti, Pakistan (all known for high volume mass production). You will use the provided (**US Import Export Rates DHL.xlsx**).DHL import rate sheet to get an ideal what your company would pay for international imports.

You can determine the Country Code or Zip code from the USA Export Import Rate Sheet (**US Import Export Rates DHL.xlsx**).

After you have determined the import code or zip code of the country that you want to import from. Complete the **GSRT Request.xlsx** and send to Fedex International, DHL International, and UPS International to compare rates. You will select the International Shipping company that offers you the best favorable terms.

If you can, find out if you can reduce your bill if your goods don't need to be shipped within a week.

Rule of Shipping: Your product weight and dimensions will determine the box sizes needed. This is something you have to figure out. You can ask Google, Youtube to help with this. Also, you have to be proficient and converting lbs to KGs and inches to CMs. When communicating with International shipping companies they will expect you to be able to do this.

Hidden Shipping Costs: Your International manufacturer will more than likely want you to send two wire payments to them - \$1000 or more down to secure the order and to ship it. Once you receive the order, they will want the balance payment right away. After you have received the goods and inspected them - pay your international manufacturer immediately! You want to send the signal that they can trust you to pay. However, make them pay for their own wire transfer fee.

Cost of Doing Business and Shipping Items needed:

Portable Computer Canon Pixma 150 (Not a COG)

DYMO Label Printer 450 (Not a COG)

You will use

Large Work desk to prepare items for shipping (NOT a COG)

Plastic Bags to ship items

Bubble Wrap (optional)

Labels (both: shipping and postage) for DYMO

2 reams of Paper for Printer

A scale to weigh the products to determine shipping cost. (Not a COG)

Other business costs:

a temporary or part-time worker(s)

Product Insurance: (you need a basic policy 250,000-500,000)

Get a quote from one of the provided Insurance companies from Blackboard.

(include the insurance as a business expense in the cash flow you can pay monthly

or all at once).

Whats needed when completed:

- In House BOM.pdf
- Six MonthCash Flow for the business (should include all business expenses and purchases)
- Cost Analysis.xls (Aim for a 66% profit margin; Target gets a 15% selling fee)
- A completed Target_Spec_1.0.xlsx
- A completed GSRT rate request.xlsx
- Quotes from all three International shipping companies.pdf

Cost Analysis must include (listing all product associated costs of goods including bar codes, packing materials, labor, product costs, shipping costs, wire transfers (if applicable), paper costs, labels costs. etc.