

# CLOTHING BRAND BUSINESS PLAN

Template & Complete Guide

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2026 Edition

## Document Summary

This template provides a complete, section-by-section clothing brand business plan for UK startups. Each section includes guidance on what to include, example tables, and formatting you can adapt directly for your brand.

### Key sections covered:

- Section 1 — Executive Summary
- Section 2 — Brand and Product
- Section 3 — Market Analysis
- Section 4 — Manufacturing and Supply Chain
- Section 5 — Sales and Distribution
- Section 6 — Marketing Strategy
- Section 7 — Financial Projections
- Section 8 — Risk Assessment

*Fewer than 20% of UK clothing startups that launch without a written business plan are still trading after three years — compared to 58% of those that planned formally before launch. (British Fashion Council)*

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## Section 1 — Executive Summary

The executive summary is written last and read first. Maximum one page — 300 to 400 words — covering everything a reader needs to decide whether to engage with the rest of the plan.

### What it must contain

- Your brand name and the specific product or category you are launching
- Your target customer — one sentence, specific
- Your manufacturing model — UK or offshore, CMT or full-service, first run volume
- Your primary sales channel — DTC, wholesale, marketplace
- Your financial ask — if applicable — and what it will be used for
- Your projected Year 1 revenue and gross margin

### What it must not contain

- Generic statements about the size of the fashion industry
- Mission statements that could apply to any brand
- Vague market opportunity language without a specific customer segment

*Write the executive summary after every other section is complete. It is the section that determines whether a manufacturer takes your enquiry seriously, whether an investor reads your financials, and whether a wholesale buyer agrees to a meeting.*

### Executive Summary Template

Element	Your Content
Brand name	[Enter brand name and legal entity]
Product	[One sentence — specific garment, fabric, RRP]
Target customer	[One sentence — specific demographic and occasion]
Manufacturing model	[CMT / full-service / UK / offshore — MOQ]
Primary sales channel	[DTC / wholesale / marketplace]
Year 1 revenue forecast	[£ — based on unit economics, not aspiration]
Gross margin at launch MOQ	[% — confirmed against unit cost]
Financial ask (if applicable)	[£ — with specific use of funds]

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## Section 2 — Brand and Product

This section answers two questions: what are you making, and why does it exist. Be precise — specificity here is not pedantry, it is speed.

### Brand Definition

Element	What to Include	Your Content
Brand name	Legal entity and trading name	
Brand positioning	One sentence — market position	
Brand values	Maximum three — specific, not generic	
Visual identity status	Logo complete / in development / brief submitted	
Trademark status	Filed / pending / not yet filed	

### Product Definition

Example of a correct product definition: 'A women's midlayer fleece in 280gsm recycled polyester, sold DTC at £85 RRP, targeting female trail runners aged 25 to 40 in the UK.' Not: 'A sustainable activewear brand.'

Element	What to Include	Your Content
Garment type	Specific — not 'clothing' or 'apparel'	
Construction	Fabric weight, composition, key features	
Size range	Which sizes at launch	
Colourways	How many at launch	
RRP	Confirmed retail price	
Target gross margin	% at launch MOQ	

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## Section 3 — Market Analysis

Market analysis requires three things: evidence that your target customer exists, evidence they are underserved, and evidence your product addresses that gap.

### Customer Profile

Element	What to Define	Your Content
Demographics	Age, gender, location, income bracket	
Psychographics	Values, lifestyle, purchasing behaviour	
Buying channels	Where they currently shop	
Price sensitivity	What they pay for comparable products now	
Pain point	What the current market is not giving them	

### Competitive Landscape

Name your three to five closest competitors. For each, confirm their RRP, primary channel, approximate positioning, and the gap your brand fills that theirs does not.

Competitor	RRP	Channel	Positioning	Gap Your Brand Fills
[Competitor 1]	£			
[Competitor 2]	£			
[Competitor 3]	£			

### Market Sizing

Element	Definition	Your Figure
Total Addressable Market (TAM)	Full UK market for your category	£
Serviceable Addressable Market (SAM)	Your specific segment and channel	£
Serviceable Obtainable Market (SOM)	Year 1 realistic revenue capture	£

*The SOM is the number that matters. It is the revenue your brand can realistically capture in Year 1 given your channel, marketing budget, and production capacity. Define your specific segment — not the total UK clothing market.*

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## Section 4 — Manufacturing and Supply Chain

This is the section most clothing brand business plans get wrong. Supply chain failure — not product or marketing failure — is the primary operational cause of early-stage clothing brand closure.

### Manufacturing Model

Element	What to Define	Your Content
Manufacturer type	CMT / full-service / print-on-demand	
Location	UK / near-shore / offshore	
Named manufacturer	Confirmed partner or shortlist of three	
MOQ at launch	Per style, per colourway	
Unit cost at launch MOQ	Confirmed or estimated with source	£
Sampling budget	Total, per style	£
Lead time	Weeks from order confirmation to delivery	weeks

### Supply Chain

Element	What to Define	Your Content
Fabric sourcing	Who sources, from where, lead time	
Trims and labels	Supplier confirmed or in progress	
Quality control	Who conducts, at what stages	
Fulfilment	Self-fulfil / 3PL / dropship	
Returns handling	Process and cost	

### Reorder Planning

Sell-Through Trigger	Action
50% sell-through within 60 days	Initiate reorder at same volume
70% sell-through within 60 days	Initiate reorder at 1.5x volume
Below 30% sell-through at 90 days	Hold reorder, review pricing and channel

## Production Cost by Volume

Order Size	Est. Unit Cost (Jersey, UK CMT)	Total Production Cost
30 units	£18–£24	£540–£720
50 units	£14–£18	£700–£900
100 units	£10–£13	£1,000–£1,300
200 units	£8–£11	£1,600–£2,200

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## Section 5 — Sales and Distribution

This section defines how your product reaches a paying customer — and at what margin at each channel.

### Channel Options

Channel	Gross Margin	Control	Setup Cost	Best For
Own DTC website	55–70%	Full	£300–£2,000	Brand building, margin
Marketplace (ASOS etc.)	35–50%	Moderate	Low	Volume, discovery
Independent wholesale	40–55%	Low	Relationship cost	Credibility, reach
Pop-up / market	60–75%	Full	£200–£800/event	Community, feedback
Consignment	45–60%	Moderate	None upfront	Low-risk wholesale entry

*A first-year brand cannot execute five channels simultaneously. Define your primary channel and your secondary channel. Confirm what each requires to operate and whether your current budget supports it.*

### 12-Month Sales Forecast Template

Month	Units Sold	Channel	Revenue (£)	COGS (£)	Gross Profit (£)
Month 1					
Month 2					
Month 3					
Month 4					
Month 5					
Month 6					
Month 7					
Month 8					
Month 9					
Month 10					
Month 11					

Month	Units Sold	Channel	Revenue (£)	COGS (£)	Gross Profit (£)
Month 12					
TOTAL					

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## Section 6 — Marketing Strategy

A marketing strategy is a defined plan for how a specific customer discovers your brand, becomes interested in your product, and converts to a first purchase — and what it costs to make that happen.

### The Four Components

Component	Question It Answers	Your Plan
Awareness	How does your target customer first encounter your brand?	
Interest	What converts awareness into consideration?	
Conversion	What converts consideration into a purchase?	
Retention	What converts a first purchase into a second?	

*Customer retention is the single highest-ROI marketing investment for early-stage brands — acquiring a second purchase from an existing customer costs 60 to 80% less than acquiring a new customer through paid channels. (British Fashion Council)*

### Launch Marketing Budget Allocation

Channel	Budget (£)	Expected Outcome
Product photography	£400	Launch-ready imagery across all channels
Paid social — 90 days	£600	Launch awareness and first sales
Micro-influencer seeding	£300	Organic reach and social proof
Email list building	£100	Pre-launch warm audience
PR outreach	£0–£300	Earned media, brand credibility
TOTAL	£1,400–£1,700	

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## Section 7 — Financial Projections

Financial projections must be built from unit economics upward — not from revenue targets downward. A Year 1 net loss is normal. The question is whether your unit economics produce a path to profitability.

### Unit Economics at Launch MOQ

Metric	Formula	Example	Your Figure
RRP	Confirmed retail price	£55.00	£
Unit cost (production)	Factory quote	£12.00	£
Fulfilment cost	Per order	£3.50	£
Returns provision	RRP × 10%	£5.50	£
Payment processing	RRP × 2%	£1.10	£
Net margin per unit	RRP minus all costs	£32.90	£
Net margin %	Net margin ÷ RRP	59.8%	%

### Year 1 Financial Summary

Item	Example	Your Figure
Total launch investment	£8,500	£
Units produced (first run)	100	
Units sold (Year 1 forecast)	85	
Revenue (Year 1)	£4,675	£
COGS	£1,870	£
Gross profit	£2,805	£
Marketing and operating cost	£2,200	£
Net profit / (loss) Year 1	(£5,895)	£

### Break-Even Analysis

Formula: Break-even units = Total fixed costs ÷ (RRP – variable cost per unit)

Element	Example	Your Figure
Total fixed costs	£3,000	£

Element	Example	Your Figure
RRP	£55.00	£
Variable cost per unit	£16.60	£
Break-even units	78 units	units

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## Section 8 — Risk Assessment

A risk section is evidence that the founder has thought through what could go wrong and has a plan for each scenario. Specificity in the risk section signals operational readiness to any manufacturer, investor, or buyer who reads it.

### Risk Register

Risk	Likelihood	Impact	Mitigation
First sample rejected — multiple revision rounds	High	Medium	Budget for 3 sampling rounds. Build 6-week sampling contingency into launch timeline.
Manufacturing delay	Medium	High	Book factory slot 4 weeks ahead. Confirm in writing.
Fabric out of stock	Medium	High	Confirm fabric availability before finalising tech pack. Identify secondary source.
Poor initial sell-through	Medium	High	Set sell-through trigger for reorder (50% in 60 days). Hold reorder until trigger met.
Competitor launches similar product	Low	Medium	File trademark and registered design before going public.
Key supplier relationship breakdown	Low	High	Maintain shortlist of two alternative manufacturers before first order.
Cash flow shortfall before reorder	Medium	High	Reserve 20–30% of launch budget as reorder fund. Do not deploy until 50% sell-through confirmed.
Labelling non-compliance	Low	High	Confirm label spec against UK Textile Regulations before production begins.

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# Common Business Planning Mistakes

## 1. Writing the plan after making irreversible decisions

A business plan written to justify a factory already booked and stock already ordered is not a plan — it is a post-rationalisation.

*Fix: Write the plan before you contact a single manufacturer, commission a tech pack, or spend on branding.*

## 2. Building financial projections from revenue targets

A founder who decides they want to make £50,000 in Year 1 and works backward to find the unit count is producing a number they want, not a projection they can defend.

*Fix: Build projections from your confirmed unit cost, confirmed RRP, and a conservative sell-through rate based on your marketing budget.*

## 3. Omitting the manufacturing and supply chain section

A clothing brand plan without a confirmed manufacturing model is missing the section that determines whether every other section is achievable.

*Fix: Confirm manufacturer type, MOQ, unit cost, and lead time before finalising any other section.*

## 4. Using total industry market size as your opportunity

Citing the £57 billion UK clothing market for a brand targeting 100 units of a specific product is not a market analysis. Define your serviceable obtainable market specifically.

## 5. No risk section or a generic risk section

A risk section listing only 'market competition' and 'economic uncertainty' is not a risk assessment. List eight to ten specific named risks with likelihood, impact, and named mitigation.

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## Citations and Sources

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