



"HENRI COANDA"
AIR FORCE ACADEMY
ROMANIA



"GENERAL M.R. STEFANIK"
ARMED FORCES ACADEMY
SLOVAK REPUBLIC

INTERNATIONAL CONFERENCE of SCIENTIFIC PAPER
AFASES 2012
Brasov, 24-26 May 2012

T&A Agency

Taninna AIT ALI SILMANE

Manhattan Institute of Management, New York, USA

1. Executive Summary

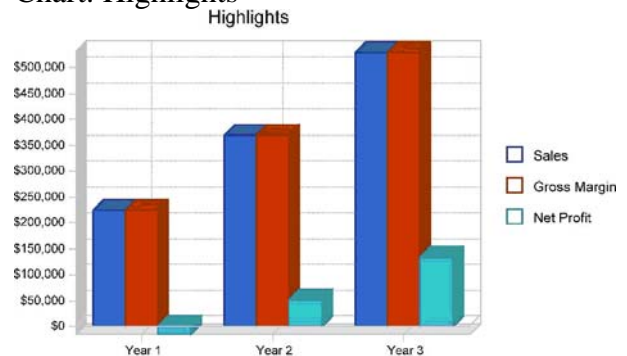
Communication is a really important principle for the smooth running of a company. Nowadays, the competition is so tough currently for brands that they must find a way to differentiate. T&A Agency will provide them this differentiation. To allow them to play the game well, T&A Agency will develop for our customers an effective communication strategy by using all communication materials needed like advertising, design, visual identity, internet, ..., to access the top of the advertising market. T&A agency leitmotiv will allow us to adapt our abilities to every project specialized within the fashion industry and perform as the most efficient as we will. T&A Agency will become the most efficient advertising agency because we have a wide range of abilities that allow us to cover every sides of the communication field.

As a small communication agency for the beginning, we will target every type of customers while keeping in mind to always follow our premium-services values. After reaching a certain level of awareness and serious reputation, we will be more specialized in terms of target.

Thanks to the global and specialized skills of all the T&A Agency coworkers, we will be able to build from nothing a strong and powerful communication strategy for all our customers, from establishing a communication strategy to evaluating the communication axes relative to the field of competition including

building the basic message that will be declinable on all communication materials. In this way, T&A Agency will become the leader on the advertising market.

Chart: Highlights



1.1. Mission

T&A Agency will provide to our customers the best tools to "**Make the Difference**". We will create the event around a message with the most impact to seduce the public and create for them a real sustainable image. The main motto of T&A Agency is the "**Creativity**". The work that we will accomplish will ensure **relevance, creativity and reactivity**.

Moreover, T&A Agency will highlight our work :

- to develop the image of a company both externally and internally,
- to promote an event, to motivate, inform and involve a team,
- to grow and develop loyalty of costumers or potential investors.

T&A Agency want to become the first partner

of companies to design and embrace the companies' pursuit of promotion and awareness.

2. Company Summary

T&A Agency is a global communication agency which offer to take over all communication needs of a company through the five main centers of the field of communication as communication audit, consulting, global communication (commercial communication (or product), corporate communication, brand communication, event communication corporate and financial communication), graphic studio (visual design, special effects, editing and image processing, shooting, object identification, virtual Intelligence ...), internet (creation of dynamic showcase site, e-commerce) and multimedia (E-CARD, CD-ROM).

2.1. Company Ownership

Taninna AIT ALI SLIMANE is the owner of T&A Agency.

2.2. Start-up Summary

Taninna AIT ALI SLIMANE will incur a long-term business loan. Therefore, the following table and chart show projected initial start-up costs of T&A Agency.

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$34,500
Start-up Assets to Fund	\$215,500
Total Funding Required	\$250,000
Assets	\$60,000
Non-cash Assets from Start-up	\$155,500
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$155,500
Cash Balance on Starting Date	\$215,500
Total Assets	
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$100,000
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
	\$100,000

Total Liabilities	
Capital	
Planned Investment	
Taninna Ait Ali Slimane	\$0
Other	\$0
Additional Investment Requirement	\$150,000
Total Planned Investment	\$150,000
Loss at Start-up (Start-up Expenses)	(\$34,500)
Total Capital	\$65,500
Total Capital and Liabilities	\$215,500
Total Funding	\$250,000

Chart : Start-up

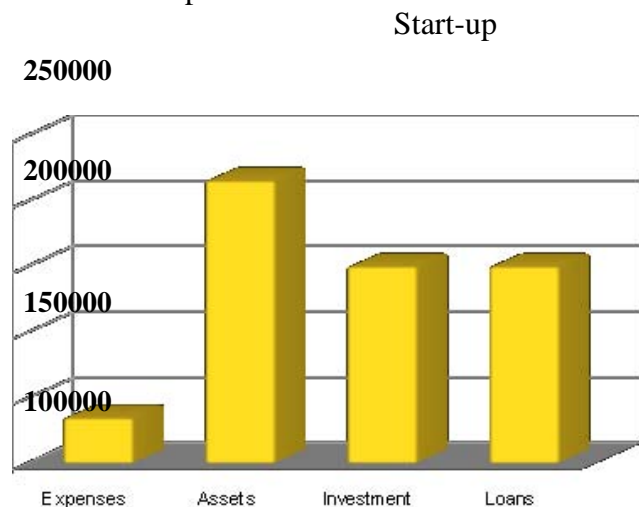


Table: Start-up
Start-up

Requirements

Start-up Expenses

Legal	\$1,000
Stationery etc.	\$1,000
Brochures	\$1,000
Advertising	\$20,000
Expensed Computer	\$10,000
Equipment/Software	
Insurance	\$0
Rent	\$1,500
Research and Development	\$0
Other	\$0
Total Start-up Expenses	\$34,500

Start-up Assets

Cash Required	\$155,500
Other Current Assets	\$60,000
Long-term Assets	\$0
Total Assets	\$215,500



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Total Requirements \$250,000

and public relations, website;
internal communication : intranet,
corporate press ...)

3. Services

T&A Agency will offer an entire communication strategy from the pre-questionnaire and building the basic message that will be declinable on all communication materials to post-campaign analysis. The services will include the following :

- Pre-questionnaire before establish the communication strategy as the following :

- WHAT: what product, service, action, what do we want to promote?
- WHY: what are the objectives? (type of objectives: awareness, image, behavior, information)
- TO WHOM: to which targets? (Setting targets, and their motivations and brakes.)
- HOW: what budget is allocated?
- HOW: by what means - tailored to each target, and based on budget
- WHEN: depending on what planning
- FOR WHOM: who is the voice messages of the organization?

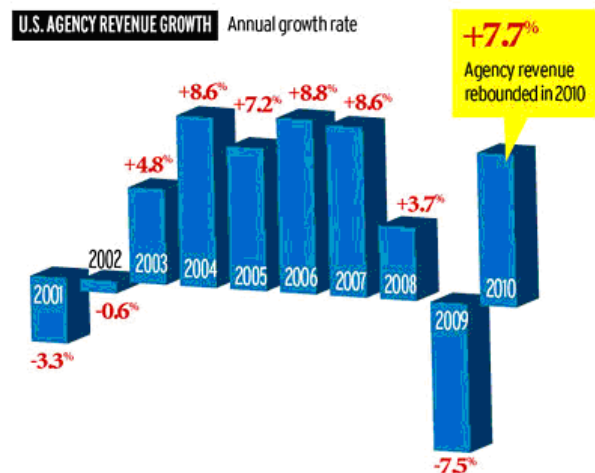
- The marketing analysis of the company (its culture, its values, its place in the market) and the product, brand, competitive environment, the needs expressed ... results in a position of product.
- The development of various actions based on chosen targets and positioning : axes and themes of messages; visual symbols, graphic ...
- The choice of means of communication (external communication: media; direct marketing, sales promotion, press

- The post - campaign analysis with a monitoring of performance and possible readjustment of objectives, resources or supports.

With our "Gold Rules" of creativity, relevance and reactivity, T&A Agency will adapt our services to each customer relative to what they need.

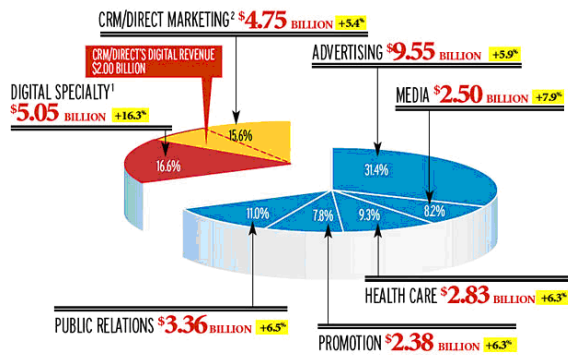
4. Market Summary Analysis

After a recession in 2009 ended in June, the marketing and communication market « has come back to life ». According to the Ad Age Agency Report (survey on the performance of more than 900 U.S. agencies), U.S. revenue for marketing - communications agencies in 2010 increased by 7.7% to \$30.4 billion.



Source: Ad Age Agency Reports.

SLICING UP AGENCIES' \$30.42 B PIE 2010 U.S. revenue by discipline for 900-plus agencies in report



- 1 Digital - specialty agencies.
- 2 CRM/direct agencies had \$4.75 billion in revenue including \$2.00 billion from digital services. Numbers rounded. Source: Ad Age Agency Report 2011.

The U.S. marketing and communication market is very saturated and difficult to enter

in. Indeed, to survive, the agencies need to find a efficient positioning. So, new agencies like T&A Agency must have a innovation idea. Nevertheless, specialist advertising agencies can also be "full - service" which means that like T&A Agency, the target is specific but they offer all the general advertising agency services in the specialized field they chose.

Concerning the main competitors on the market, the leading US Agencies in 2010 by revenues from all disciplines (advertising, media, marketing services) are classified in the following table :

Acxiom	Starcom USA	Goodby Silverstein	Waggener Edstrom
Epsilon	Rosetta	Cline Davis & Mann	Arnold Worldwide
DraftFCB	Saatchi & Saatchi	Wieden & Kennedy	McCann Healthcare
McCann Erickson	Burson-Marsteller	Harte-Hanks	Critical Mass
BBDO	Grey	Integer Group	Mullen
Leo Burnett/Arc	Hill & Knowlton	Martin Agency	Sudler & Hennessey
Rapp	Ketchum	iCrossing	Tribal DDB
JWT	OMD	Doner	GolinHarris
SapientNitro	R/GA	Ogilvy PR	Porter Novelli
Edelman	Meredith Integrated	Organic	VML
Euro RSCG	Deutsch	AKQA	Initiative
Digitas	Digitas Health	Euro RSCG Life	GyroHSR
Wunderman	Richards Group	George P Johnson	Possible Worldwide
Weber Shandwick	MEC	G2	Accent Marketing
Razorfish	Ogilvy & Mather	MediaCom	MRM Worldwide
Y&R Advertising	Publicis	Universal McCann	GMR Marketing
Fleishman-Hillard	Hill Holliday	McGarryBowen	Octagon
inVentiv	GSI Interactive	RPA	Proximity Worldwide
Carlson Marketing	Mindshare	Momentum Worldwide	Kirshenbaum Bond
DDB	Campbell-Ewald	Interbrand	SolutionSet
TBWA	MediaVest USA	Horizon Media	Jack Morton
Merkle	Zenith Media	Marketing Arm	Goodness Mfg
OgilvyOne	Ogilvy CommonHealth	DraftFCB Healthcare	Grey Healthcare
Aspen Marketing	Cramer-Krasselt	Zimmerman Partners	MS&L
IBM Interactive	Crispin Porter Bogusky	Tracy Locke	Ruder Finn

(www.adbrands.net)

The market is led by four multi - agency conglomerates which are WPP, Omnicom Group, Publicis Groupe, Interpublic Group of Cos. in 2010.

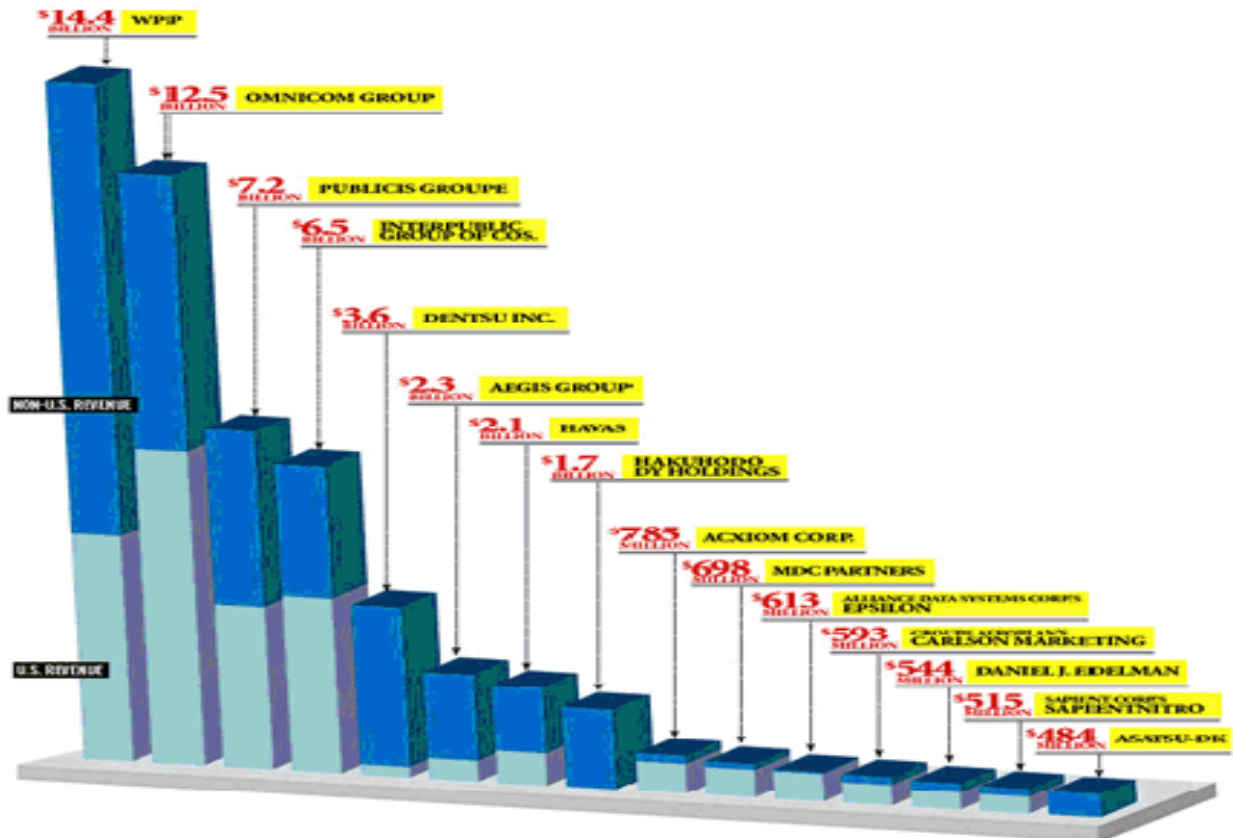


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2010 worldwide revenue for world's 15 largest agency companies. Some figures are Ad Age estimates. Some U.S. figures reflect North America. See expanded information on these companies: AdAge.com/agencyfamilytrees2011. Source: Ad Age DataCenter.

4.1. Market Segmentation

In view of the oversubscribed market, T&A Agency will be specialized in the communication of fashion brands and companies. So, we will be focused on the specialist advertising agencies of fashion industry.

Since T&A Agency is specialized in the communication of the fashion and apparel industry, the main competitors of T&A Agency are summarized in the following table :

Table : Main competitors of T&A Agency

<p>That! Company</p>	<p>Mission of their advertising company : To ensure that the client is happy. A happy client is a busy client. Nothing else matters. It just so happens it takes a lot of energy, dedication, confidence and leadership to develop creative, effective advertising campaigns with measurable results. We expect nothing less from our creative masterminds and analytical professionals, and you should expect nothing less from your advertising agency. World Headquarters</p>
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	(Central Florida), That Company, Advertising Agency Division, 8500 US HWY 441, Leesburg, Florida, 34788 – Sales Office in New York, New York : 917 - 934 - 3575.
<p>Art Zulu Inc.</p> 	A design firm specialized in brand identity, positioning, and launching located in Mahnattan.
<p>Bergman Associates</p> 	A New York based design and advertising agency offering a full range of unique services: logo design; corporate identity creation; branding; art direction for photography; graphic design; advertising; marketing; editorial design and package design. Bergman Associates was founded in 1991 by internationally recognized creative director Robert Bergman.
<p>ThincTank NY</p> 	offers a complete range of brand consulting for apparel and accessories brands. 1. Brand Planning and Development : they identify a brand's core values and design toward 2. Product Design and Development : ThincTank offers partial or full service in product design from silhouettes, fabrication, trims, graphics, graphic application, to technical drawings and wet processes. ThincTank specializes in the Mens sportswear, Womens sportswear, Denim, Accessories, Market / trend / vintage research. 3. Brand Identity Design : ThincTank utilizes a variety of innovative processes to develop following: Naming and Taglines, Logos and

	packaging, Brand signature details, Brand identity manuals, Brand image book They approach each client on an individual basis, as they know there's no such thing as off - the - shelf brand strategy. 4. Marketing and Art Direction
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4.2. Service Business Analysis

According to John Durrel (1998), branding represents “a consistency of quality and meaning associated with a designer’s collections that will carry over from year to year”. Despite changes in design from one season to the next, these changes in fact reinforce the particular company’s image. (N. M. Rantisi, 2001).

The fashion industry brings in more than \$973 million every year. Like in the advertising market, new fashion brands and companies in the apparel and fashion industry must be specialized and different from the competitors to survive on the market. As the industry grows and in order to be the most aware and well - known from the customers, they must appeal advertising services provided by advertising agencies for the fashion industry like T&A Agency to promote products and service.

5. Strategy and Implementation Summary

T&A Agency will use our services to launch our proper advertising campaign and establish our customers.

The global fashion apparel industry is one of the most important sectors of the economy in terms of investment, revenue, trade and employment generation all over the world.

The retail industry is US the number one growing industry and the fashion retail is the top growing and largest in the retail industry of the U.S.

5.1. Marketing Strategy



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J. Richardson, 1996, stated : « In rapidly changing and highly competitive industries such as the fashion retail market where products have short product life and differentiation advantages may be quickly imitated, it is important for fashion companies to be sensitive to changes in fashion trends and to be able to swiftly change their line of production when the need arises ».

Besides, according to the Census Bureau, the total sales in the U.S. retail industry in 2008 is \$4.475 trillion. Over - all, the total sales of the top ten companies in the global retail industry is \$978.5 billion in 2007, according to international consulting group, Deloitte. Retailing is the primary driver of the global economy, making such large sums of sales annually.

More precisely, the fashion industry remains one of NYC's largest and most prominent sectors¹. It employs 165,000 people, accounting for 5.5% of NYC's workforce², generates \$9 billion in total wages and tax revenues of \$1.7 billion³ and serves as headquarters to over 900 fashion companies⁴. Therefore, the NYC's fashion retail market is growing at a considerable rate. From 2010–2025, it is projected that employment for NYC clothing and accessories stores will increase by 13%⁵. Consequently, T&A Agency can expect a rise of our customers since the fashion industry in New York City is hugely developed.

In addition, T&A Agency appeals a considerable social media strategy through

growing and developed social medias as Facebook, Twitter, Google+, ... :

[http://www.facebook.com/#!/pages/TA - Agency/165429243567738](http://www.facebook.com/#!/pages/TA-Agency/165429243567738)

<https://twitter.com/#!/TandAAgency>
<https://plus.google.com/u/0/b/115904250739256193883/#>

[http://onlinecounselinghour.com/?mlp=ta - agency](http://onlinecounselinghour.com/?mlp=ta-agency)

5.2. Sales Strategy

Because of growing numbers of competitors on each market, the differentiation is essential. Most of the companies establish tenders in order to find their advertising agency. A tender is a procedure by which a potential buyer requests different suppliers to make a business figured proposal in response to the detailed formulation (specifications) and his need (product or service). Tenders can also be placed outside the specific legal framework, by companies looking for suppliers. Some websites have also specialized in the passage of tenders easily available online for free even. In a simplistic way, the tender can be analyzed in five steps : writing of the briefing, preselection of the gusted agencies, presentation of the briefing, the 1st round, and the 2nd round. Regarding the rounds, it is expected that during the first round agencies present their strategic recommendations (corporate communication and operational) and their policy recommendations for the next three years. No creation is requested for the first round. One budgetary approach is requested for this first round, particularly on agency fees. During this exchange, the agency will also present the material and human resource. One goal is to recruit a permanent and stable partner.

The advertising agencies are actually in

¹ Industry Snapshot – Fashion in New York City, 2011, New York Economic Development Corporation.

² NYS Department of Labor, 2009

³ NYS Department of Labor, 2008, 2009; NYCEDC, 2008 (derived from NYS Department of Finance and NYS Department of Management and Budget)

⁴ Hoover's, 2010

⁵ Moody's Economy.com, 2010

competition so T&A Agency must be different and attract the customers. In the same way of our three « Gold Rules », T&A Agency offers customized services in order to establish a perfect communication plan which fits with the needs of the company. No more unnecessary expenses and inconsistent communication budget, T&A Agency is creative, reactive and relevant to listen to our clients and guide them to a project as impactfull as it must be. Our customized offer leads to several plans and packages that would be the most personalized and relevant to the project as possible.

T&A Com+ (Communication Strategy)	\$10,000
Separated Items (Pre-questionnaire, Marketing analysis of the company, Various actions, Means of communication, Post-campaign analysis)	\$3,000

T&A Agency works with relevance and reactivity. Consequently, the packages can be customized according our clients' needs. In a way to differentiate from our competitors, our price are not high because we establish a commission on the consequences of our campaign. It will ensure our clients our involvement and guarantees regarding our work.

5.2.1. Sales Forecast

The following is the sales forecast for three years.

Table: Sales Forecast Chart : Sales Monthly

Sales Forecast				
	Year 1	Year 2	Year 3	
Total Sales	\$225,830	\$370,000	\$530,000	
	Year 1	Year 2	Year 3	
Direct Cost of Sales	\$2,000	\$5,000	\$7,000	

Sales Monthly



Chart : Sales by Year



5.3. Competitive Edge

The competitive advantage of T&A Agency are the following :

T&A Agency highlights our work with the three “Gold Rules” : creativity, reactivity and relevance.

T&A Agency is specialized in the fashion industry then we can focus our skills in a specific field that our co-workers master.

All the broad range of services that we provide will allow T&A Agency to build from nothing a strong and powerful communication strategy for each customer relative to what they need.

The attention of T&A Agency to our client lead us to propose different kinds of payment and customize our package to embrace the needs of our customers.

6. Management Summary

Taninna AIT ALI SLIMANE will be the CEO



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of T&A Agency. To be effective, T&A Agency will also hire a skilled staff that can provide all the promises that we follow.

The company plans to hire personnel as the agency begins to get large numbers of contracts.

At the beginning of our agency's life, the staff will be composed of the basic departments that T&A Agency need before get wider :

- A sales manager that will fulfill the commercial function in the agency. The tasks of the sales function in fact contain two dominant axes : internal and external coordination and the elaboration of the communication strategy.

- A creative manager who oversees teams of creative (copywriters and art directors, within a creative team) in order to identify in the business strategy a simple idea, strong and concise. The creation is the label of the agency and its image against the outside.

The creative department must be able to summarize the business strategy into a simple idea, strong and concise data and translate it into art. The creative work as closely with the other two departments that are the business strategic functions and executive functions.

- The board is part of the media strategy consulting communication. T&A Agency can provide this service divided in two essential and distinct poles, one on the analysis and media studies and corresponding to the tasks of media planning, the other pole is oriented to functions of a commercial, media buying and negotiation. These functions will be provide by a senior research fellow and/or a media

planner.

- Then, the art buyer is in charge of the executive function which is essentially a role of production and manufacturing. It embodies and expresses the most relevant creative idea. He manages the implementation and technical implementation of communication campaigns.

6.1. Personnel Plan

The summarize of the T&A Agency staff is in the ollowing table : Table : Personnel Plan

Personnel Plan

	Year 1
Taninna AIT ALI SLIMANE - CEO	\$32,000
CFO	\$28,000
Sales Manager	\$25,000
Creative Manager	\$25,000
Project Manager	\$25,000
Media Planner	\$25,000
Art Buyer	\$25,000
Secretary/Receptionist	\$18,000
Other	\$0
Total People	8
Total Payroll	\$203,000

7. Financial Plan

7.1. Breakeven Analysis

The monthly sales break-even point is shown in the table and chart below. Table:

Break-even Analysis

Break-even Analysis

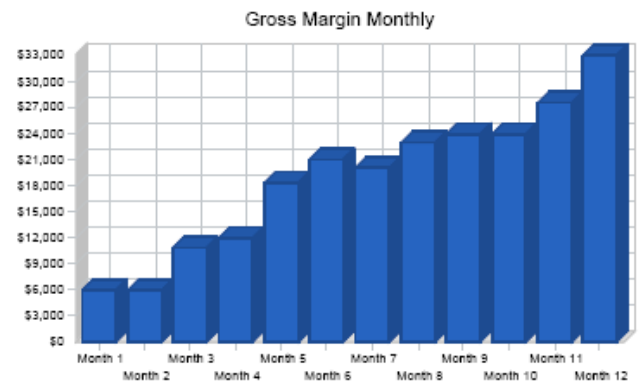
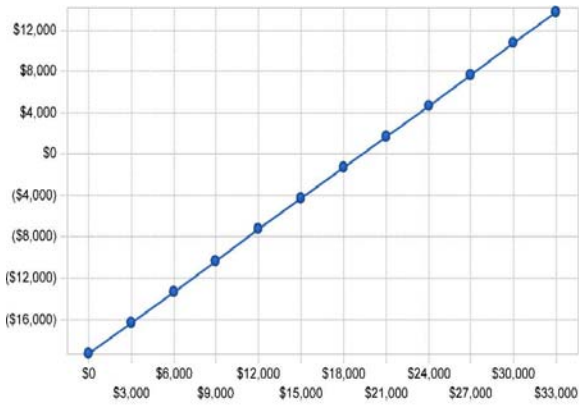
Monthly Revenue Break-even	\$19,308
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Assumptions:

Average Percent Variable Cost	0%
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Estimated Monthly Fixed Cost	\$19,308
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Chart: Break-even Analysis



7.2. Projected Profit and Loss

T&A Agency will be profitable from the second year and will grow by almost 9% after the second year.

Chart: Profit Monthly

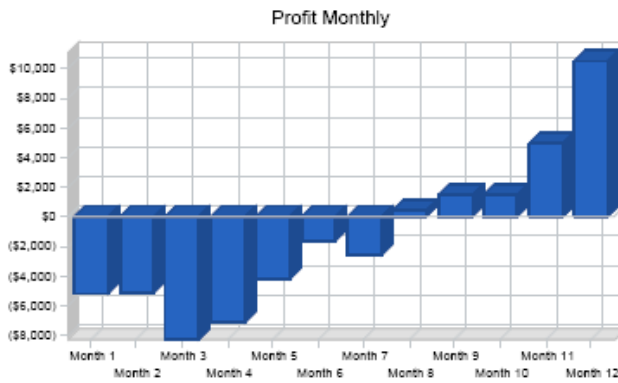


Chart: Gross Margin Yearly

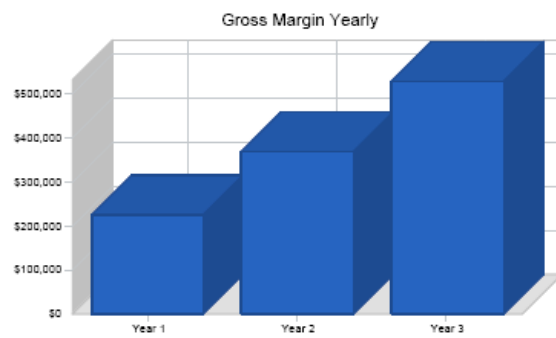


Chart: Profit Yearly



Table: Profit and Loss

Pro Forma Profit and Loss	Year 1	Year 2	Year 3
Sales	\$228,830	\$370,000	\$630,000
Direct Cost of Sales	\$2,000	\$5,000	\$7,000
Other Production Expenses	\$0	\$0	\$0
Total Cost of Sales	\$2,000	\$5,000	\$6,000
Gross Margin	\$226,830	\$370,000	\$630,000
Gross Margin %	100.00%	100.00%	100.00%
Expenses			
Payroll	\$203,000	\$236,000	\$277,000
Sales and Marketing and Other Expenses	\$48,000	\$60,000	\$60,000
Depreciation	\$0	\$0	\$0
Leased Equipment	\$0	\$0	\$0
Utilities	\$2,400	\$2,400	\$2,400
Insurance	\$0	\$0	\$0
Rent	\$18,000	\$18,000	\$18,000
Payroll Taxes	\$21,300	\$27,150	\$30,300
Other	\$0	\$0	\$0
Total Operating Expenses	\$292,700	\$343,550	\$407,700
Profit Before Interest and Taxes	(\$6,870)	\$81,450	\$197,300
EBITDA	(\$6,870)	\$81,450	\$197,300
Interest Expense	\$8,916	\$6,399	\$4,399
Taxes Incurred	\$0	\$22,336	\$57,690
Net Profit	(\$14,786)	\$52,115	\$134,611
Net Profit/Sales	-6.55%	14.05%	21.40%

Chart: Gross Margin Monthly



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