

# Fashion Advanced Sector Foresight Project:

## Best Bet Investment Opportunity Cases

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**NEXT**

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The authors would like to especially thank those persons who contributed a great deal of input through one on one interviews to enable the original Best Bet outlines to be developed into more comprehensive business opportunity investment cases.

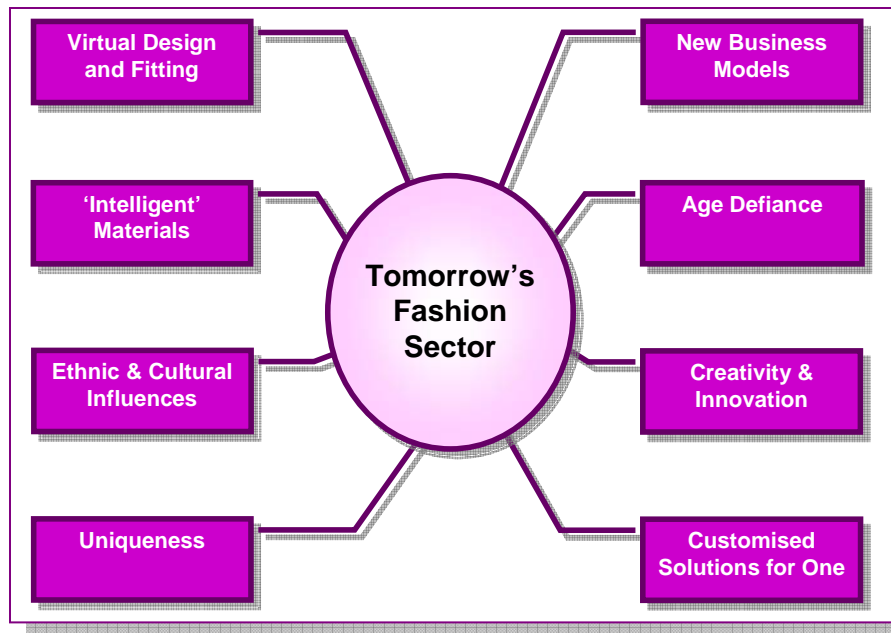
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## 2 Introduction

Fashion is a sector that is always going to have a future as it connects with a range of basic human needs. An overview of the main drivers shaping the global fashion sector over the next five to ten years is shown in Figure 1.

**Figure 1: The main drivers shaping tomorrow's fashion sector**



As part of Trinidad and Tobago's drive to become a fully developed nation by the year 2020, it is vital that new globally competitive businesses evolve in the country to not only compensate for the inevitable decline in the country's oil and gas resources but also to provide higher quality and more stimulating future knowledge-based employment opportunities for the increasing numbers of students graduating from universities both at home and offshore.

T&T already has a successful and innovative fashion and creative sector that provides a strong platform for 'going global' in a more proactive and ambitious way. It is a sector that is in tune with a great deal of national passion – in particular the country's Carnival scene.

At a workshop held in October 2007, nine Best Bet opportunity areas were identified that could provide the basis for developing some innovative forward-looking business developments in the T&T fashion sector. At the end of the workshop the participants were asked to vote for those Best Bets that they thought offered the greatest practical potential for T&T. The outcome of that voting process is shown in Table 1.

**Table 1: Rankings of the 9 'Best Bets' from the October 3<sup>rd</sup> workshop**

Rank	'Best Bet'	No. Votes
1	'e-Suiting'	13
2	Port-of-Spain International Fashion Centre	13
3	One Stop Creative Design Portal	12
4	7 to 7 Transition Clothing	10
5	Lifestyle Bracelet	7
6	Bridge Collection	2
7	Virtual Life Quilt	0
8	Virtual Glasses	0
9	Textile Manufacturing & Design Inc.	0

The basis for the selection of the four Best Bets highlighted in blue for development into more comprehensive business investment opportunity cases can be justified in terms of the global market potential, the availability of resources, the capability and enablers' status, and their appropriateness for a small country like T&T, as shown in Table 2.

**Table 2: Best Bet selection criteria**

Rank	'Best Bet'	Market Potential	Resource Availability	Capability & Enablers	Appropriate
1	e-Suiting	✓✓✓✓	✓✓✓✓	✓✓	✓✓✓
2	POS International Fashion Centre	✓✓✓✓	✓✓✓✓	✓✓	✓✓✓
3	One Stop Creative Design Portal	✓✓✓✓	✓✓✓✓	✓✓	✓✓✓
4	7 to 7 Transition Clothing	✓✓✓✓	✓✓	✓✓	✓✓✓



High rating



Good rating



Low rating

The four Advanced Fashion Sector Best Bet Business Investment Opportunity Cases described in this report have been developed after consultation with specialist sector persons in T&T as well as through additional desktop research work. The first three are all practical with the current technologies available. The '7 to 7 Transition Clothing' Best Bet is a far more speculative opportunity and may need some specialised R&D input to realise, although research shows all the technologies required are available today. The potential market opportunity area for this Best Bet is huge. That is why it has been included as a possible 'wildcard' option.

## 3 Fashion Sector Best Bets

### 3.1 *Best Bet 1: 'e-Suiting'*

#### 3.1.1 The Investment Opportunity

- The investment opportunity is built around leveraging the considerable pool of talent and expertise that exists in the fashion sector in T&T.
- It is a business that provides a virtual design portal on the Internet that will deliver individually customised solutions to individual customers as well as design houses and clothing manufacturers located anywhere in the world.
- The key differentiating factor associated with this business is the almost limitless range of options available to customers because of the way the business is set up.
- The business model will link up with a pool of highly skilled designers, some of whom will be T&T based but will include others offshore, to develop the design solution each customer requires.
- The business will receive revenue by way of commissions on the design fees charged to customers as well as a commission on any finished products that are manufactured commercially using such designs.

#### 3.1.2 Rationale

- A key component of the rationale is the global trend towards more individualistic societies and lifestyles.
- The market is characterised by a split between the lowest price large scale mass production area and the higher cost unique more personalised area where customers are looking for apparel that makes them stand out amongst others or which provides them with a special something that makes them feel good.
- Small country fashion is also tending to go 'global niche' and the Internet is playing a major role in facilitating that. Large popular video-based Internet portals such as YouTube and MySpace increasingly feature fashion clips and a significant number of designers now have virtual design rooms as part of their business model.
- The Internet is driving growth opportunities for small operators with highly specialised and unique offers. It does not favour 'conglomerates' that use an Amazon type model (<sup>1</sup>).
- This business model aims to take the local pool of highly creative T&T fashion design skills, combine it with smart innovative designers from other parts of the world, and go truly global with a highly customised and unique offer!

#### 3.1.3 Customer Offer

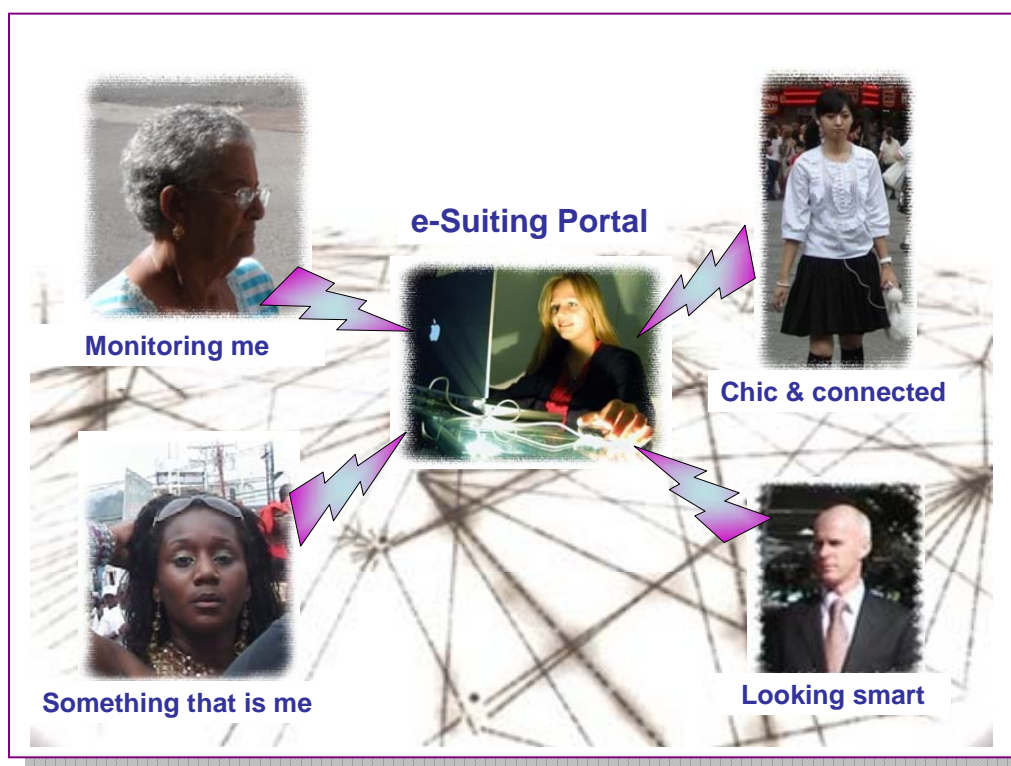
- The core component of the customer offer is to use innovative T&T tailoring and design expertise, in association with innovative offshore associates, to provide a basic design model to which the customer can add a multitude of customisable additions that can be selected virtually.

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<sup>1</sup> <http://www.davidpitlyuk.com/2007/05/30/prediction-the-future-of-ecommerce-is-smaller-niche-specific-sites/>

- These additions include features that cover special consumer needs such as those associated with personal health, security, durability, and travel and business requirements.
- There could be different base models, different fibres, and the cost would differ according to the model, for instance designs that are able to transition from one colour to another.
- It can deliver a simulated exercise capability through a number of modes that are incorporated into the design.
- It can be made to be bullet-proof or include IT components that facilitate functions such as locating the client's car, using a sensor that makes the client look slimmer, or to generate electricity to power mobile devices such as cell-phones and iPods.
- It could also provide a customer with a wardrobe built around one basic apparel item that can change colour as it adjusts to surroundings, time of day, or occasions.
- It could also be fully self-cleaning.
- It would be customisable for both males and females.
- This offer could also include functions such as personal health monitoring and this opens up opportunities to connect with a whole new customer base. This means doctors could monitor patients without seeing them.
- 'e-Suiting' offers both the design selection option as well as the delivery of the finished product direct to the end customer.

**Figure 2: The e-Suiting Customer Offer (<sup>2</sup>)**



<sup>2</sup> NEXT Archives

### **3.1.4 Foresight Context**

Key trends shaping favouring this Best Bet include:

- The convergence of technologies such as material science, fashion and ICT which is opening up a whole range of new and innovative opportunity areas.
- The trend towards 'markets of one' – mass customisation.
- The virtualisation of value chains.
- Providing a 'gift of time' – saving busy people increasingly precious time.
- The polarisation of markets to become either big or unique. The middle ground has largely disappeared.
- The trend towards a greater interest in products and services with an ethnic and cultural focus.

### **3.1.5 Target Markets**

- The e-Suiting portal is designed to suit persons of all ages but is likely to attract those who have a bent for the hi-tech and innovative.
- It is most likely to cater to the middle and upper end of the market because of the highly customised offer – although automated design and delivery options may enable this Best Bet business to cater to less well-off customers.
- Corporate clientele, both men and women, as well as all the people who wear uniforms e.g. doctors, nurses, etc.
- Persons who suffer from a time crunch and need a 'gift of time'.
- Trendy suits and outfits for younger people.
- The medical area - even though it is a fashion item. Perhaps doctors can be involved in the purchase process and their wealthy patients can be targeted in association with them.
- The health monitoring component of the offer may be more appropriate for older clientele.
- In terms of the market focus, this would include all the countries that share a tropical and sub-tropical climate, e.g. Asian countries such as India, Singapore, Malaysia and Thailand, selected African countries, and the Pacific Islands. South and Central America could also be target countries.
- However, because access is through the Internet, such customers could come from anywhere in the world.

### **3.1.6 What We Have**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that exist in T&T and which could be used to help realise this Best Bet:

- We already have base clothing products that can be made customisable for a myriad of markets.
- We have well-developed creative design skills coupled with a considerable pool of fashion sector skills and experience.
- We have plenty suiting plants as well as factories that are currently lying idle, e.g. Tobiki, Da Costa's, Janouras, Front Row, etc.



- We have the right sort of minds, the mental capacity, and the research engine needed to support this Best Bet.
- We have design specialists, testing laboratories, as well as some locally developed technology.
- We have experience in experimenting with prototypes and use of the Internet.
- Whilst there may be some limitations in the current fashion educational and training areas, we do have a considerable pool of designers, some of whom have achieved significant international success.
- We have The University of Trinidad and Tobago's (UTT) tailoring programme, the Metal Industries Company (MIC) training programme, as well as the Ministry of Education's tailoring programme currently available in secondary schools.
- UTT could be a one-stop shop for the realisation of this Best Bet, both in terms of engineering and fashion capabilities, particularly with the coming on stream of the Caribbean Academy of Fashion and Design (CAFD) which is also under the UTT umbrella.
- There is a ready availability of computers and Internet connectivity in T&T.
- We have competent branding and marketing people available here in T&T who could help deliver this Best Bet.

### **3.1.7 What We Need**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that need to be developed in T&T or accessed from offshore in order to realise this Best Bet:

#### ***From the Public Sector***

- Support with funding of plant, R&D and skills development.
- This Best Bet focuses towards a high-tech market requiring staff with tertiary level education if we are to be in a good position to provide the designs and products envisaged as being the key part of this Best Bet, as opposed to regular tailoring.
- This means the educational and training needs are quite special. That means the availability of skilled people is quite limited because this is not normally done here. There needs to be an enhanced level of training in more technical skills.
- Putting the right type of IP regulations in place. The designs are easier to identify in terms of IP but less so with products because elements of the products and processes may already have IP protection in other countries. This is because of the level and type of technology that would be incorporated into the 'e-Suiting' business.
- IP protection of designers' rights will be an essential part of this Best Bet.
- We also need to consider who is going to own IP. Will UTT be involved? If an NGO is involved, who will own it and is the idea good enough to warrant IP protection? Can UWI become involved?
- This is a new idea and a new area for T&T so basically everything would be needed - finance, technical input, laboratories, e-commerce and ICT capabilities, marketing, etc.

#### ***From the Private Sector***

- An innovative and entrepreneurial individual or group to take the lead role in developing the business.

- A specialist ICT group to provide the virtual and Internet components.
- A marketing plan to establish and develop the business.
- Local and international logistics partners to provide simultaneous distribution and delivery capabilities and service end-customers.
- The provision of basic and unique specialised raw materials in a Caribbean context.
- Partnerships with offshore parties to ensure access to the required technologies.
- Alliances with offshore design parties who can add value to the customised solutions delivered to customers.
- Persons who know how to work a suit or special apparel item with a background in design are also required. Collaboration with designers would be required. In this way prototypes can be developed that provide the basis for the customised virtual offer.
- Someone that has the capacity to market the product in a novel and spectacular way - like selling a movie where a 'super-hero' wears a suit that matches a fast car.
- If this is too ambitious use high profile people, such as prominent attorneys or cultural icons, to help market the product.
- Because it is a new concept, it may be easier to attract outside investment and entrepreneurship as foreigners may be more open to these novel ideas than the local T&T people. This means offshore alliances will need to be pursued and formed.

### ***From the R&D Sector***

- A considerable amount of R&D would be required to realise this Best Bet.
- One of the first tasks will be to research the current status of developments in both the fashion and ICT sectors that are relevant to the 'e-Suiting' proposition and determine what can be done and how.
- Feasibility tests need to be undertaken as well as various preliminary tests with prototype concepts.
- Another area that needs research input is in the area of technology development. What is available today and what needs to be developed?
- Market research is another area that will require considerable input – mainly in terms of identifying the online 'communities of interest' with which connections need to be established and developed.
- The realisation of this Best Bet will require a considerable amount of testing of ideas and experimenting to see what could really work. If health monitoring is involved, then there are issues of safety and accuracy involved. These factors should not be overlooked.
- We currently have little in the way of funding but could encourage the realisation of this Best Bet by linking it to a project for a graduate student at UTT that might also attract EU funding or a grant.

### **3.1.8 A Possible Business Model**

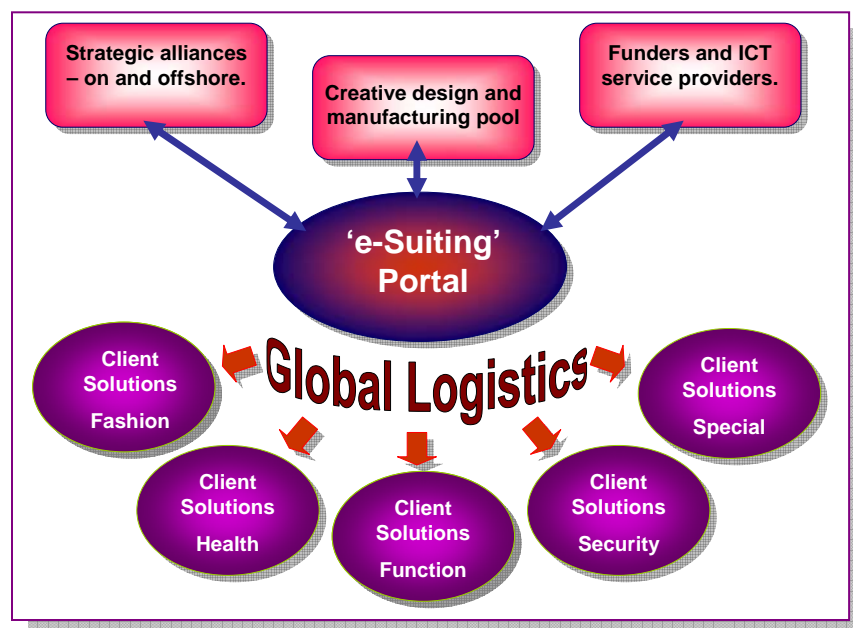
In order to develop a business that is capable of delivering internationally recognised design and product solutions, the model for a business built around this Best Bet opportunity area may look something like that shown in Figure 3.

Some important aspects of the proposed model are:

- The pool of creative design and manufacturing talent should not necessarily be confined to T&T but should be controlled and shaped by smart T&T entrepreneurs.

- This pool will need to be accessed and managed in a way that takes into account the characteristics and personalities of highly creative people so that they don't feel they are losing their individual 'creative freedom'.
- Because a pool of talent can be drawn on at any time, it should be possible to provide a customised solution for everyone either through virtual 'clip-ons' to basic designs or an individually tailored Internet-based process.
- There will need to be a number of key alliances formed with offshore parties to make the business model work, particularly in the logistics area.
- The model will facilitate product design and development, as well as manufacture, direct to the end-customer through a virtual interface; the conversion of raw materials by creative means into customised 'design and build' collections for marketing and delivery to end-consumers around the world with e-commerce and Internet support; e-payment, e-ordering, and e-shipping.

**Figure 3: A possible business model for the 'e-Suiting Best Bet <sup>(3)</sup>**

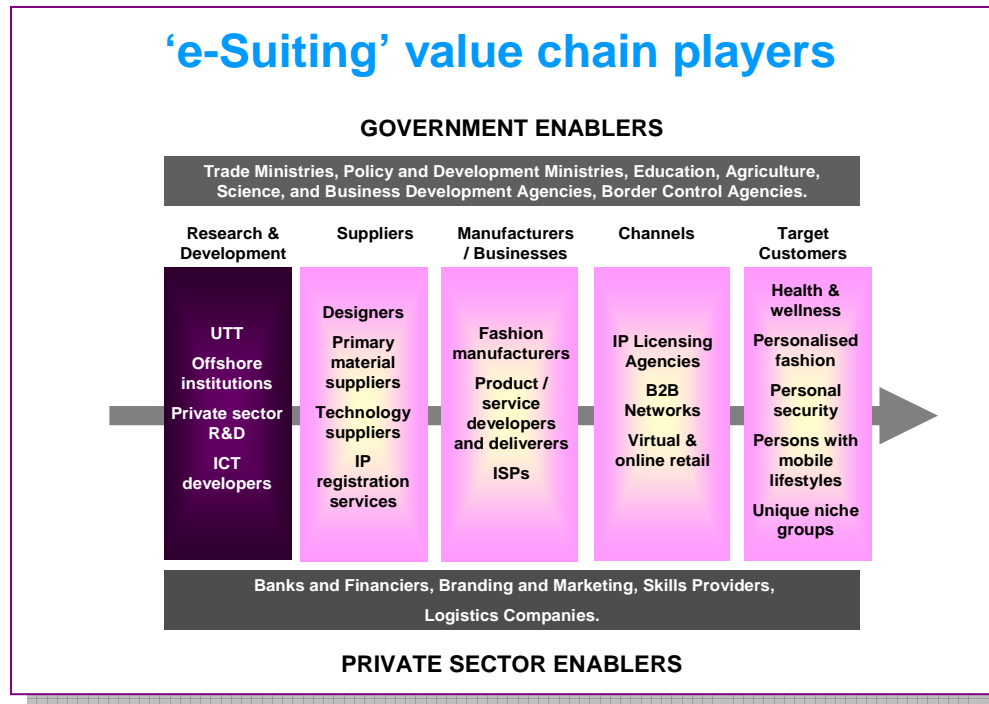


### 3.1.9 Best Bet Value Chain

- The main player groups in the value chain model that would be needed to leverage the value associated with the 'e-Suiting' Best Bet proposition are shown in Figure 4. The highlighted section represents the value chain component that is of crucial significance.
- The challenge is to pull together the right pool of creative design and production talent without impinging upon the 'space' of each individual so that the value chain functions smoothly and maximises the outcomes for all players.
- There will need to be a number of key alliances and partnerships (including virtual alliances) set up with offshore stakeholders to ensure the smooth functioning of the entire value chain.

<sup>3</sup> NEXT Archives

**Figure 4: Key stakeholders in the 'e-Suiting' value chain model**



### 3.1.10 Key Players

#### *Key Local Players*

In terms of organisations and agencies that are relevant to this Best Bet, the following have been suggested by workshop participants and those interviewed as being key players in T&T:

- UTT has the potential capacity to help with the realisation of this Best Bet.
- The Caribbean Industrial Research Institute (CARIRI) and The University of the West Indies (UWI), as well as UTT, in terms of research capability.
- Local fashion sector manufacturers and designers.
- Government business sector development agencies such as the National Entrepreneurship Development Company (NEDCO), e-Teck, the Business Development Company (BDC), and the Ministry of Trade and Industry.
- The Fashion Entrepreneurs of Trinidad and Tobago (FETT), which is involved with a large national training project that aims to back the development of manufactured products with a 'Made in TnT' label. The proposed training will include both theory and practical components in order to train people to a level so that they are ready for work in the sector. Currently labour in this field is extremely hard to come by.
- The Youth Training and Employment Partnership Programme (YTEPP).
- The National Institute for Higher Education, Research, Science and Technology (NIHERST) from a science and technology perspective.

In terms of specific persons, the following have been suggested as being able to make a contribution:

- Dr Peter Corridon, UTT – in the visual design field.

- Dr. Daniel White, UTT - a physicist who can help in the technology and design fields.
- Attorneys such as Mr Keith Scotland, Mr Ramesh Lawrence-Maraj, and Mr Israel Khan who wear local designers' labels and could be used to promote the designer concepts.
- Ms Camille Pierre who has considerable skills in both the Creative and ICT Sectors and has a business, ELLI-MAC Productions Ltd., which is developing an international marketing portal for T&T and Caribbean creative products.
- Ms Tamara Nall of the international consulting group, Booz, Allen and Hamilton based in the USA. She may be able to assist with market development from a T&T perspective.

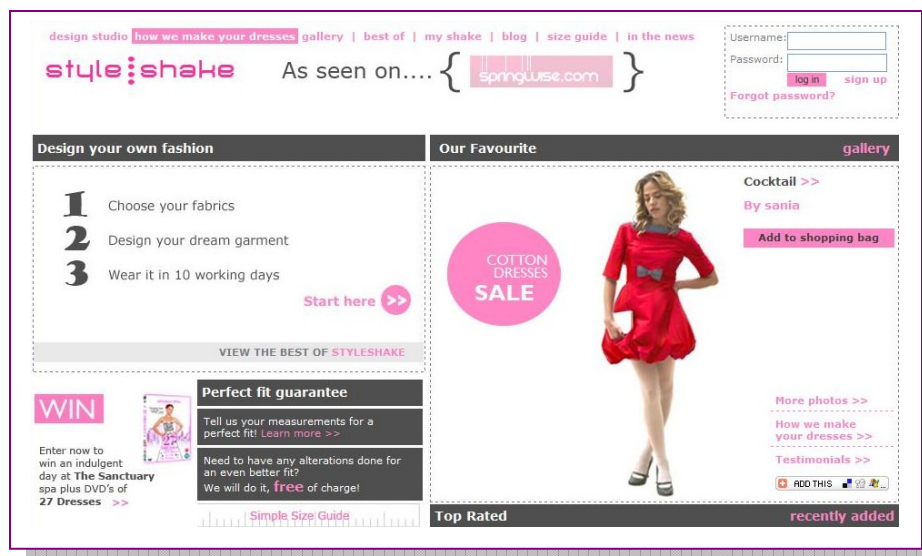
### Examples of Offshore Players

The following are a few selected examples of organisations and businesses that are involved in activities that are highly relevant to this Best Bet and are taking highly innovative approaches towards generating unique ways of developing and delivering customised solutions in the fashion area. The first two examples demonstrate that the 'e-Suiting' portal concept is far from being a science fiction concept. It is already happening!

### StyleShake (4)

This is an online design portal where customers can choose their own design and fabrics online and have their choice of apparel manufactured and delivered to them within ten days. The founder and CEO, Ms Iris Ben-David, aims to deliver totally customised solutions based on individual body measurements in the near future.

Figure 5: Overview of the StyleShake virtual clothing design website



4 <http://www.styleshake.com/user/>

## Studio 28 Couture (5)

This is another virtual design and buy online portal that offers some of the components envisaged in the 'e-Suiting' Best Bet. This portal focuses on dresses that have vintage appeal and so are targeted at a specific niche group of customers.

Figure 6: The Studio 28 Couture Virtual Clothing Design Portal



## OptiTex Virtual Design (6)

This is a quite amazing piece of software-based technology which enables the transfer of 3D designs onto 2D patterns for garment manufacturing and could play a significant role in an online design and manufacturing business model such as the 'e-Suiting' proposition.

Figure 7: A section of the OptiTex website



5 <http://www.studio28couture.com/>

6 <http://www.optitex.com/index.php>

## getDigital.de <sup>(7)</sup>

This online retailer offers a selected range of products to the ICT-related 'geek' market niche. One of the items they offer online is a T-shirt which has an integrated electronic visual display that shows how strong WiFi radio Internet connections are in any location.

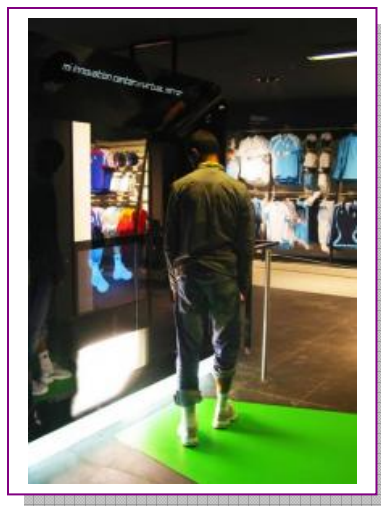
**Figure 8: The 'Get Digital' WiFi T-shirt**



## The Adidas Virtual Fitting Mirror <sup>(8)</sup>

Adidas has installed a virtual mirror in its Paris store that doesn't display a true reflection but a 3D image of customer's feet where they can try on virtual pairs of shoes to find the right model and fit without having to take their shoes off and physically try them on.

**Figure 9: The Adidas Virtual Mirror**



<sup>7</sup> <http://www.getdigital.de>

<sup>8</sup> <http://adverlab.blogspot.com/2007/03/virtual-shoe-fitting-mirror-by-adidas.html>

### 3.1.11 Implementation Roadmap

An indicative road map for implementing the 'e-Suiting' Best Bet investment proposition, the targets that are set, what will be needed to ensure that those targets are achieved, and who is involved in order to achieve a positive outcome, is shown in Table 3.

**Table 3: Indicative roadmap for implementing the 'e-Suiting' Best Bet investment opportunity**

<b>By when?</b>	<b>What?</b>	<b>Who?</b>
<b>1st 6 months</b>	<ul style="list-style-type: none"> <li>Stakeholders incorporate the company and appoint executive team</li> <li>A business and marketing plan is developed, finalised and financing is in place.</li> <li>An initial pool of designers and manufacturers is pulled together and the terms and conditions for working in association is agreed.</li> <li>Portal design and construction is initiated and completed within 3 months.</li> <li>Market research carried out to identify online communities that need to be connected with.</li> <li>Key alliances are initiated including offshore logistics component.</li> <li>e-Commerce components put in place and arrangements with financial institutions signed off.</li> <li>Sales capability functional by the end of the six month period with full e-commerce functionalities inbuilt.</li> </ul>	<ul style="list-style-type: none"> <li>Group of Entrepreneurs</li> <li>Board / Executive Team / Designers &amp; Manufacturers</li> <li>Private Contractor/ Legal group / Executive Team</li> <li>ICT and Web Design Company</li> <li>Web Market Researcher</li> <li>Executive Team / Alliance Partners</li> <li>ICT Group / Bank / Executive Team</li> <li>All parties</li> </ul>
<b>By end of year 1</b>	<ul style="list-style-type: none"> <li>Sales of 5,000 customised apparel items achieved with an average value of USD 250 FOB.</li> <li>Business plan and funding for Year 2 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Executive Team / Designers &amp; Manufacturers</li> <li>Executive Team</li> </ul>
<b>By end of year 2</b>	<ul style="list-style-type: none"> <li>First year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>The pool of designers and manufacturers is extended as required to meet forecast demand.</li> <li>Online market development expanded through additional research and relationship building.</li> <li>Sales of 25,000 customised apparel items achieved with an average value of USD 250 FOB.</li> <li>Business plan and funding for Year 3 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Designers &amp; Manufacturers</li> <li>Web Market Researcher</li> <li>Executive Team / Designers &amp; Manufacturers</li> <li>Executive Team.</li> </ul>
<b>By end of year 3</b>	<ul style="list-style-type: none"> <li>Second year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>The pool of designers and manufacturers is extended as required to meet forecast demand.</li> <li>Online market development expanded through additional research and relationship building.</li> <li>Sales of 50,000 customised apparel items achieved with an average value of USD 250 FOB.</li> <li>Business plan and funding for Year 4 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Designers &amp; Manufacturers</li> <li>Web Market Researcher</li> <li>Executive Team / Designers &amp; Manufacturers</li> <li>Executive Team.</li> </ul>



<b>By end of year 4</b>	<ul style="list-style-type: none"> <li>• Third year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• The pool of designers and manufacturers is extended as required to meet forecast demand.</li> <li>• Online market development expanded through additional research and relationship building.</li> <li>• Sales of 100,000 customised apparel items achieved with an average value of USD 250 FOB.</li> <li>• Business plan and funding for Year 5 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Designers &amp; Manufacturers</li> <li>• Web Market Researcher</li> <li>• Executive Team / Designers &amp; Manufacturers</li> <li>• Executive Team.</li> </ul>
<b>By end of year 5</b>	<ul style="list-style-type: none"> <li>• Fourth year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• The pool of designers and manufacturers is extended as required to meet forecast demand.</li> <li>• Online market development expanded through additional research and relationship building.</li> <li>• Sales of 250,000 customised apparel items achieved with an average value of USD 250 FOB.</li> <li>• Business plan and funding for Year 6 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Designers &amp; Manufacturers</li> <li>• Web Market Researcher</li> <li>• Executive Team / Designers &amp; Manufacturers</li> <li>• Executive Team.</li> </ul>

### 3.1.12 Financial Scenario

The financial scenario shown in Table 4 is based upon some best guess estimates. It is not intended to be used as the basis for making firm investment decisions. The intent is that it provides a base case scenario that can be developed more fully as more information is gathered.

The scenario has been developed using the following assumptions:

- That the business operates as a portal that acts as an interface between customers in the online community all around the world and the design and manufacturing community in T&T and offshore alliance partners in both areas.
- That the average value of each item sold is US\$ 250 based upon the fact that all the items envisaged to be part of this offer are highly customised and include a range of special functionalities to suit specific customer end needs.
- That the 'e-Suiting' revenue is derived as a ten percent commission levied on all sales that result through the portal, no matter where the products are designed and/or manufactured, provided the supplier parties are part of the portal creative design and manufacturing pool.

These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential scenario outcomes i.e. an outcome built around excellence.

Full details can be found in the Appendix at the end of this report.

**Table 4: An indicative financial scenario for the ‘e-Suiting’ Best Bet investment opportunity.**

	<b>In Year 3</b>	<b>In Year 6</b>	<b>In Year 10</b>
Revenue from sales	US \$ 1,250,000	US\$ 10,000,000	US\$ 25,000,000
Basis of revenue figure	10% commission on 50,000 customised items designed and sold at an average value of US\$ 250 each	10% commission on 400,000 customised items designed and sold at an average value of US\$ 250 each	10% commission on 1,000,000 customised items designed and sold at an average value of US\$ 250 each
Capital expenditure	US\$ 350,000	US\$ 75,000	US\$ 100,000
Operating expenditure	US\$ 1,181,000	US\$ 5,892,000	US\$ 13,906,000
Earnings before interest and tax (EBIT)	US\$ 68,500	US\$ 4,108,000	US\$ 11,094,000

- Incurred in the preceding time interval

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### 3.1.13 NEXT Star Rating



- T&T has a pool of highly creative talent in the fashion design and manufacturing field.
- A number of designers have had international success.
- However, the model the sector is pursuing to date is a highly traditional model which is very costly to run from a small island state such as T&T.
- The Internet is becoming an important channel for connecting boutique and unique fashion sector offers with specialist groups of often highly individualistic customers.
- It is these customers that offer the T&T fashion sector with a real opportunity as they are not as cost conscious as the ‘mass market’ consumer segment, a segment which a small high cost country such as T&T has no chance of developing a viable presence.
- One of the biggest challenges will be a change of mindset that is required to transition from the traditional model to more modern Internet models that enable T&T’s smart fashion professionals to connect effectively with a globally scattered collection of individuals who demand precisely the types of things that ‘e-Suiting’ can deliver – a personally customised solution that caters to their specific needs.
- The other big challenge will be to assemble the pool of design and manufacturing talent required to deliver to a global market. The fashion sector is notorious for being driven by often quite eccentric individuals who have a great deal of difficulty working in a ‘coopetitive’ situation (where individuals leverage off each other’s strengths to derive a mutual benefit without losing their independence) rather than in a competitive ‘dog eat dog’ situation.

- The model required needs to be carefully thought through and needs to protect that independent spirit, but within an overall win-win situation for everyone.
- The need is for a lead entrepreneur to commercialise this Best Bet opportunity in association with a strong consciousness about the environment and the protection of heritage.
- The risk is that offshore players move faster than T&T and secure a strong position in this evolving opportunity area. There are already a number of entrepreneurial and innovative players entering the virtual fashion area.

## **3.2 Best Bet 2: 'Port-of-Spain International Fashion Centre'**

### **3.2.1 The Investment Opportunity**

- The investment opportunity is associated with the establishment of Port-of-Spain as an international fashion centre.
- To do this involves the development of a specific area or specific areas in Port-of-Spain to provide premises that will house a wide range of fashion businesses.
- The business opportunity will incorporate some unique cultural and ethnic influences that give it a uniqueness that differentiates it from other fashion centres around the world.
- There will also be a virtual fashion component that links the physical Port-of-Spain International Fashion Centre (POSIFC) with current and potential customers and clients, as well as any other interested groups or persons, around the world over the Internet.
- The proposition is a long-term development project which may take up to ten years to develop.
- Revenues will be derived from a combination of property management fees, levies, and commissions on sales.

### **3.2.2 Rationale**

- At the turn of the nineteenth century, downtown Port-of-Spain was the major shopping district in the Caribbean.
- Shoppers came to the town from far and wide to purchase the latest fashion goods that were made by the top dressmakers and tailors based in Trinidad and Tobago (T&T) as well as to purchase imported apparel and men's suiting from Europe and North America.
- Port-of-Spain has the potential to recapture the distinction of being the Caribbean's foremost fashion and shopping centre.
- The city has already undergone a considerable amount of redevelopment, particularly in the waterfront area, and more is planned for the central city and surrounding areas as the country prepares for major international events such as the Commonwealth Heads of Government meeting in 2009.
- The physical components required to make Port-of-Spain an International Fashion Centre include buildings and precincts where fashion sector stakeholders could be located.
- This includes areas in Port-of-Spain that have been earmarked for redevelopment including the area bordered by Frederick Street on the west, Duncan Street on the East, Park Street to the North and South Quay to the South.
- The government also recently announced its intention to create a pedestrian mall in the area bound by Woodford Square and Knox, Hart, and Pembroke Streets between Knox and Duke Streets.
- Other potential fashion node areas could include Ariapita Avenue and Cipriani Avenue.

### 3.2.3 Customer Offer

- A high class international fashion district located in a specific area or areas in Port-of-Spain that connects the world with local designers, creativity and finished fashion and design products.
- Whilst it is an International Fashion Centre, it will have a flavour that reflects the Caribbean and Latin American influences that make the region unique in the international fashion scene.
- This includes particular ethnic, religious and cultural themes and related derivatives that are characteristic of the region and which provide avenues for developing innovative and unique fashion designs and products.
- The centre will have a combination of retail outlets that provides the full range of services expected from such a zone. That includes not only fashion product outlets but also other product and services suppliers associated with the fashion and design sector.
- It also includes a Bespoke Tailoring Strip where customised fashion items can be produced to order.
- Others include ICT businesses, cafes, restaurants, book and music stores, art and culture retailers, and venues for fashion shows, etc.
- Customers and interested persons will also be able to access the Port-of-Spain International Fashion Centre through a global portal on the Internet which provides a virtual link to the physical fashion district and enables a virtual 'immersion' and interactive experiential and connectivity capability.
- The portal will also facilitate the ordering and purchase of fashion products marketed by the retailers and designers who are located in the International Fashion Centre.

Figure 10: The POSIFC Customer Offer (9)



<sup>9</sup> NEXT Archives

### 3.2.4 Foresight Context

- The trend towards more fashion innovation arising in smaller countries.
- The globalisation trend which provides vast opportunities for marketing unique offers to a global audience.
- The trend towards the development of sector clusters.
- The trend towards customised solutions for markets of one person.
- The trend towards experiential retailing centres.
- The trend towards a greater interest in cultural, ethnic and religious based products and services.
- The trend for the fashion sector to go online and the evolution of virtual communities of interest, design, and retailing.

### 3.2.5 Target Markets

- The regional Caribbean and Latin American markets should be a particular focus and could provide a diversity of customers, both in terms of age groups and ethnic backgrounds.
- They must view the POSIFC as an attractive alternative to travelling to New York or Miami to go shopping for fashion products.
- Part of that attraction will be that the apparel they buy in Port-of-Spain is designed specifically to suit their unique requirements.
- Those requirements will be met by offers such as tailored suiting, ethnic textiles and contemporary ethnic fashion.
- The Caribbean Diaspora would also be an important group because of their links with this part of the world.
- Local consumers of all demographics who would normally travel abroad to go shopping for their apparel needs.
- The tourism market which includes Carnival visitors, visitors to the many festivals held in T&T during the year and cruise ship visitors who arrive in Port-of-Spain.
- Corporate men and women from across the Americas who wish to order customised suits of high quality.
- Muslims, Hindus and Middle Eastern young people who have a desire for contemporary ethnic fashion.
- Designers of ethnic fashion from around the globe should be targeted as POS establishes itself as a world leader in ethnic textiles and fashion. High quality textiles will be created in laboratories in T&T from blends of natural and synthetic fibres and the fabric surfaces will then be designed by textile art graduates from the CAFD at UTT.  
The fashion designers that will be targeted presently live or operate in Middle Eastern countries, India, Pakistan, East European countries, Islands in the Indian and Pacific oceans and African countries.
- The market for ethnic fashion is developing at a rapid pace in first world countries where there is a substantial ethnic population e.g. Britain, France, Germany, Canada and certain states in the USA.

### 3.2.6 What We Have

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that exist in T&T and which could be used to help realise this Best Bet:

- T&T has a wide range of highly creative people including Carnival Artisans, Steel pan Innovators, Traditional and Contemporary Artists, Art & Craft Artisans, Workshop and Factory Technicians, Seamstresses, Tailors, Fashion Stylists and Directors, Fashion Designers, Textile Designers, and Fashion Educators.
- The country already has a number of well established local high-end fashion labels such as Meiling, Heather Jones, Peter Elias, Claudia Pegus, Zadd & Eastman, The Cloth, and Maurice Sedwell Bespoke Tailors.
- T&T also has a unique mix of ethnic, religious and cultural influences. It is one of the most cosmopolitan nations in the world. The culture is influenced by many indigenous peoples from Africa, India, China, Syria, Lebanon and Western Europe. Add to this melting pot the Amerindian influences as well as modern American and hip-hop culture.
- This unique mix provides inspiration for creative design in textiles and clothing which can be marketed to niche ethnic market segments throughout the world.
- There are a large number of creative designers and small customised manufacturers in the country. They have the capability to supply niche markets for high quality, expensive apparel.
- Since production lines are small scale more attention can be paid to the quality of design, craftsmanship and finish. Quality of design and manufacture can set T&T apart in this highly competitive market and enhance its international reputation. The Port-of-Spain International Fashion Centre can gain international reputation in the same way that Milan became famous for high quality craftsmanship in the luxury goods market.
- There are many other leading-edge niche focuses within the local fashion and creative sectors which include:
  - Indigenous music which includes the Steel pan and Panyard culture, Calypso, Chutney, Soca and Parang art forms and which can add unique dimensions to the International Fashion Centre experience.
  - Many festivals including Hosay, Phagwa, Divali, Eid, Carnival, Best Village, Tobago Heritage Festival, The Carib (Santa Rosa) Festival, Fisherman Festivals in the North Coast villages, Borough Days in Arima and Point Fortin, and many others.
  - T&T's unique flora, fauna, landscapes and architectural heritage which can be used to provide unique design concepts.
- An opportunity to become the fashion capital of the region. At present there is no recognised International Fashion Centre in the Caribbean.
- Port-of-Spain's geography lends itself perfectly to becoming a miniature Manhattan. One of the reasons that New York is successful as a shopping capital is convenience - the way the streets and avenues are laid out is perfect for shopping. That grid pattern is also unique to POS, albeit on a smaller scale.
- There is already a lucrative, successful fabric trade in Port-of-Spain's fabric district. This trade in fabric goes back many decades to when Syrian and Lebanese traders would ride through residential areas on bicycles to sell to housewives.

- Shopping malls are planned for the former Drag Brothers location, Frederick and Queen Streets and the Salvatori Building location – Frederick Street and Independence square. A mall is also planned for South Quay.
- Downtown Port-of-Spain is already regarded as one of the major shopping districts in the region and many traders travel from around the Caribbean to shop on Charlotte, Queen, Henry and Frederick Streets.
- A vibrant fabric district already exists in the Frederick St., Queen St., Henry St., and Charlotte St. area.
- Education and training is somewhat lacking at present. However that situation is being addressed by the introduction of fashion degrees and diplomas as well as research and technology development at The University of Trinidad & Tobago (UTT). Programmes are expected to commence in September 2008 at the Caribbean Academy of Fashion & Design (CAFD) at UTT.
- The Savile Row Academy will open in January 2009 and train a select few in the art of hand-crafted tailoring.
- The YTEPP Garment Construction Programme is ongoing. It is hoped that graduates will be accepted for further education at the CAFD.
- The Ministry of Education is presently overhauling the curricula for dressmaking and design, tailoring, and clothing and textiles to bring them in-line with current standards.
- The Ministry of Trade & Industry is interested in designating the T&T fashion sector as a one of the priority non-energy sectors for further development.
- Research and product development is available from the Eastern Caribbean Institute for Agriculture and Forestry (ECIAF), CARIRI, UWI, and UTT.
- T&T has many well educated young people interested in studying at the CAFD in order to pursue careers in the fashion industry.
- There are a number of international advertising, branding and marketing agencies that have offices in T&T including McCann Erickson, Lonsdale / Saatchi & Saatchi Advertising Ltd., Corbin Communications Ltd., Inglefield Ogilvy & Mather Caribbean Ltd., Valdez & Torry International, and Publicis Caribbean Ltd.
- There are also specialised local branding and marketing groups with considerable experience in the Internet and ICT sector who can help market and promote the Port-of-Spain International Fashion Centre online, e.g. ELLI-MAC Productions Ltd.

### **3.2.7 What We Need**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that need to be developed in T&T or accessed from offshore in order to realise this Best Bet:

#### ***From the Public Sector***

- Taking a lead. The governments of other West Indian islands are investing heavily in the development of their fashion sectors. The race is on to claim the prestigious title of Fashion Centre of the Caribbean. We must act now or we may lose this golden opportunity to Bridgetown, St. John's, or Kingston.
- Establishing a public private partnership to drive the development of this Best Bet.
- Continued redevelopment of Port-of-Spain. The East Port-of-Spain redevelopment project is critical to the success of this Best Bet. The Dock Road development project is also critical.



- Beautification and continuous maintenance of the proposed fashion district would be essential.
- Support from the office of the Mayor of Port-of-Spain to clear obstacles to pedestrians in central city areas, e.g. designating Frederick Street as pedestrian only, is also required. A consultant has recommended that Frederick Street, from Duke Street to Independence Square North, be designated a pedestrian only zone as an extension of the proposed Woodford Square Pedestrian Mall. This measure is certain to attract the more discerning shoppers back to the streets of Port-of-Spain.
- Designation of the eastern POS area from Charlotte Street to Duncan Street for the Bespoke Tailoring, 'Made in TnT' fashion boutiques and dressmaking zone.
- New and up and coming fashion designers will be encouraged to establish stores there along with established foreign based T&T designers, e.g. Daronte based in London as well as Simon Duncan, Francis Hendy, and Donna Dove based in New York.
- Peripheral zones need to be designated in areas such as the redeveloped waterfront area, Ariapita Avenue, and Cirpriani Avenue.
- Infrastructure development in the areas proposed to be included in the fashion district(s).
- The funding of specialised professional seminars and workshops specifically geared toward industry technicians in fields such as pattern drafting, draping, computer aided design for garment construction, textile technology, fashion marketing, entrepreneurship, innovation and business development.
- Life-long learning. The fashion industry is dynamic and stakeholders need to update their knowledge and skills on an on-going basis to keep up with new trends and technological developments.
- The right legislative and back up structure to secure international IP protection, particularly for textile technology and design, concepts such as 'e-Suiting', branding and copyright protection.
- The Ministry of Agriculture should investigate the cultivation of Sea Island Cotton as the basis of a unique high value textile business.
- International marketing and promotion of the POS International Fashion Centre.
- Assistance with Town & Country Planning approvals.
- Access to funding for new fashion houses.
- The Ministry of Education needs to address raise the profile and standards of the tailoring, dressmaking and textiles programmes currently offered in schools and offer them in a greater number of schools.
- Quality control, regulation and standardisation issues can be supported and monitored by the Trinidad & Tobago Bureau of Standards.
- The T&T overseas missions and consulates need to play a role in developing offshore markets.

### ***From the Private Sector***

- The current stakeholders need to commit to working more closely together to develop a more substantial and internationally effective T&T based fashion sector. This requires a greater level of 'coopetition' and less competition between individual stakeholders.
- There is also a need to move to new age business models that will provide substantial higher value sector growth opportunities and move away from traditional models and traditional thinking.

- Leveraging global opportunities through the use of ICT and the Internet is an area which the sector needs to develop and exploit with vigour.
- A T&T fashion industry website that links to the physical POS International Fashion Capital district.
- The availability of internationally competitive e-commerce capabilities and services from the country's banking sector.
- Support and cooperation from the creative fashion design sector players and associated value chain players.
- Education and training for the fashion sector must be easily available and accessible to persons interested in joining the industry. Programmes of study must be relevant to the needs of the industry. The Caribbean Academy of Fashion & Design (CAFD) at UTT must develop a close relationship with Trinidad & Tobago's fashion sector to ensure that the courses introduced are industry focussed and reflect the long-term vision of the sector.
- An initiative to introduce 'Made in TnT' fashion branding must start now in order to design labels and reap the benefits long-term. Increasing regional awareness and marketing of the T&T fashion brand must be initiated now in order to help local designers to penetrate niche markets in the Caribbean, Central and South America for 'Made in TnT' apparel.
- The private fashion sector needs to develop a 'Buy Local Fashion' promotional campaign to develop a strong local consumer base for 'Made in TnT' apparel.
- The establishment and management of showrooms in Manhattan for local fashion labels will be critical to the success of this venture. A substantial amount of international trade in apparel takes place in the showrooms of New York.
- A raising of the profile of the T&T fashion design and manufacturing sector so that higher value niches are exploited which means that higher wages can be paid and higher calibre persons can be attracted to work and stay in the sector. The current low wages mean that many secondary school students do not view the fashion or garment industries as viable career options.
- The sector needs to undertake a feasibility studies to ascertain the viability of local manufacture versus the import of material resources - or the best combination of the two. Only certain high value niche areas are likely to be viable for T&T manufacturers.
- The formation of a public private partnership to develop this Best Bet.
- Employers need to provide opportunities for workers to retrain continuously.
- The development of a 'Virtual Trade Show' facility to showcase and promote this proposition and other fashion sector Best Bets.
- A move into more specialised higher value leading-edge niche business areas such as customised dressmaking, bespoke and hand-crafted tailoring for men and women, virtual customised suiting (e-Suiting).
- The setting up of a 'Creative Design Centre' where designers can focus on developing innovative fashion and textiles. They can sell these designs in pattern or sample form to offshore manufacturers and high-end fashion stores and design labels. This concept is called the 'Private Collection Agreement'.
- The setting up of a leading 'Textiles Development Centre'. Utilising the abundance of local raw materials, combined with high technology and innovate ethnic design, a vibrant high-end textiles industry could be established.
- The setting up of a leading-edge 'Ethnic Fashion Centre'.
- T&T's flora, fauna, and landscape need to be used as a major influence in its textiles and creative design industries.

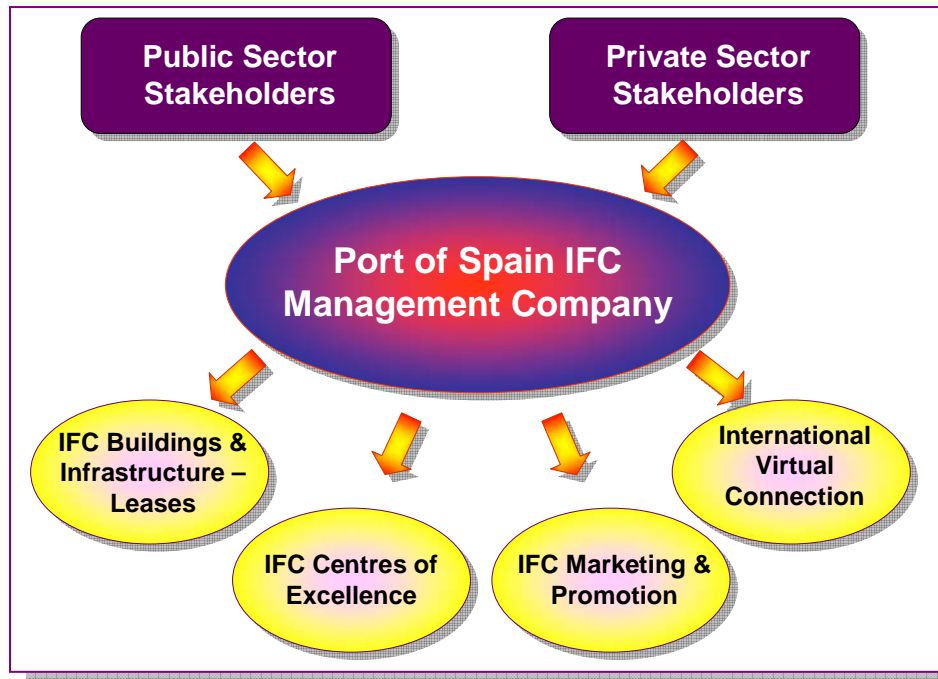
### From the R&D Sector

- More research is needed into the fashion industry development initiative to determine the strengths, weaknesses, opportunities and threats for the T&T fashion sector.
- More research is needed to identify emerging high value niche markets for 'Made in TnT' apparel.
- Research is needed in the area of unique materials that can be used to leverage value in the fashion sector. Possible areas include the production of textiles from Sea Island Cotton, the development of new synthetic fibres in T&T, the identification of new natural fibres and derivatives that can be used in the fashion sector, and new fabric blends which combine natural and synthetic fibres.
- Innovation and product development is needed in order for craftspeople to utilise sea shells, calabash, coconuts shells and other indigenous materials to produce unique buttons, jewellery, fashion accessories and inclusions on garments.
- Ways of applying innovative prints onto fabric for fashion designers, dressmakers and tailors.

### 3.2.8 A Possible Business Model

In order to develop an internationally recognised POS International Fashion Centre, the model for a business built around this Best Bet opportunity area may look something like that shown in Figure 11.

Figure 11: A possible business model for the 'POSIFC' Best Bet <sup>(10)</sup>



<sup>10</sup> NEXT Archives

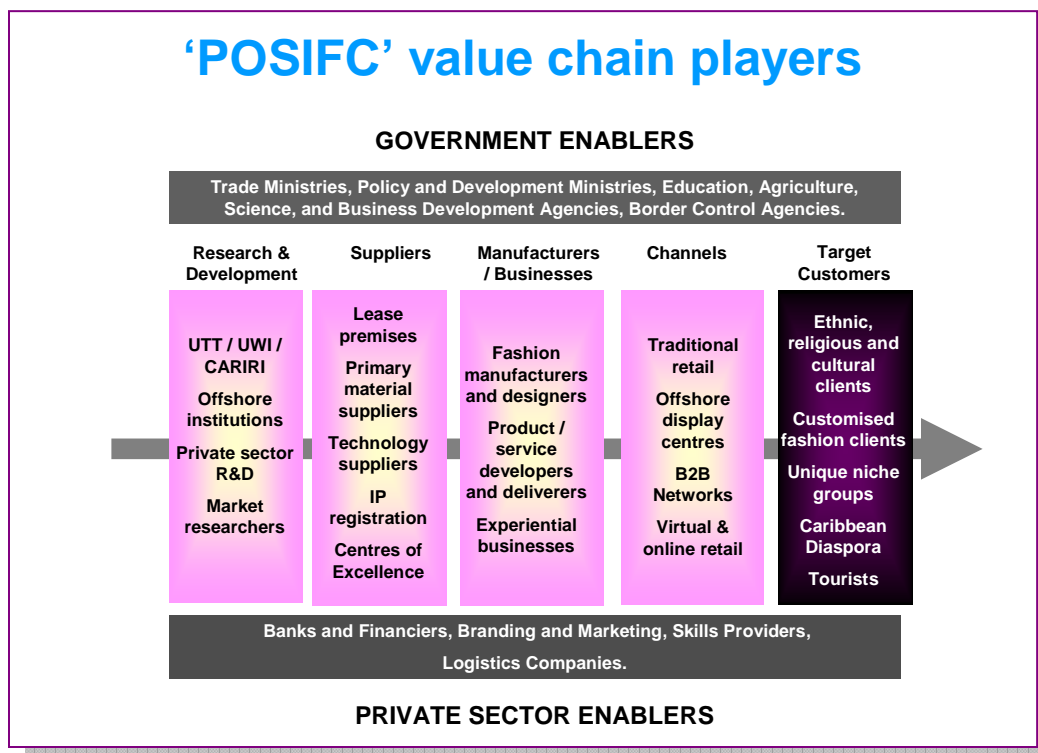
Some important aspects of the proposed model include:

- The setting up of a public private partnership to set up a management company to run the POSIFC development and day to day operations.
- A Building and Infrastructure Division which provides serviced premises on a lease basis to fashion sector and related tenants. This is likely to be a property management division only – not a build, own, and operate business area.
- The IFC Centres of Excellence will include key fashion sector initiatives such as the ‘Creative Design Centre’, ‘Textiles Development Centre’, ‘Ethnic Fashion Centre’, and the ‘Virtual Trade Show’.
- The marketing and promotion component will have a responsibility for developing the IFC’s international profile and connectedness.
- The ‘International Virtual Connection’ is a website portal that leverages the physical IFC by connecting and exposing it to persons all around the world through the Internet. This will play a major role in raising the profile of the IFC and enhancing marketing opportunities.
- There will need to be a number of key alliances formed with offshore parties to ensure the whole POSIFC becomes an international success.

### 3.2.9 Best Bet Value Chain

- The main player groups in the value chain model that would be needed to leverage the value associated with the ‘POSIFC’ Best Bet proposition are shown in Figure 4. The highlighted section represents the value chain component that is of crucial significance. In this case it is the ‘Target Customer’ group because without their interest and participation, the entire POSIFC Best Bet proposition will be just another great idea.

**Figure 4: Key stakeholders in the ‘POSIFC’ value chain model**



- To become an International Fashion Centre will require international thinking and an offer that has international excellence. This means a major upgrade of old Port-of-Spain will be necessary and personal security will need to be assured. Street beautification and much improved maintenance practices will also be needed. This will require a considerable input from the 'Government Enablers' value chain stakeholders because, without their commitment, this Best Bet will have little chance of succeeding.
- There will also need to be a number of key alliances and partnerships (including virtual alliances) set up with offshore stakeholders to ensure a smooth functioning of the entire value chain to create a win-win situation for all parties.

### **3.2.10 Key Players**

#### ***Key Local Players***

In terms of organisations and agencies that are relevant to this Best Bet, the following have been suggested by workshop participants and those interviewed as being key players in T&T:

- The Caribbean Academy of Fashion & Design at UTT (CAFD)
- The University of Trinidad & Tobago (UTT)
- Savile Row Academy
- Francis Hendy Inc.
- Maurice Sedwell Bespoke Tailors
- Trinidad & Tobago Manufacturers' Association (TTMA)
- Fashion Association of Trinidad & Tobago (FATT)
- Fashion Entrepreneurs of Trinidad & Tobago (FETT)
- Ministries of Planning & Development, Trade & Industry, Agriculture, Education, and Science, Technology & Tertiary Education
- Trinidad & Tobago Bureau of Standards (TTBS)
- Evolving TecKnologies and Enterprise Development Co. Ltd (e-Teck)
- National Entrepreneurship Development Company (NEDCO)
- Business Development Company Limited (BDC)
- Caribbean Industrial Research Institute (CARIRI)
- ECIAFF
- National Institute for Higher Education, Research, Science and Technology (NIHERST)
- College of Science, Technology and Applied Arts of T&T (COSTAATT)
- YTEPP
- UWI – Institute of International Relations
- Downtown Owners & Merchants Association (DOMA)
- Local fashion houses already in the proposed fashion precinct areas include The Cloth, Radical Designs, Westport, Micles, and Catwalk
- Local merchants already in the proposed fashion precinct areas include Jimmy Aboud, Classy Fabric, Diamond Tex, Fabric Land, Fakoory's, House of Taylor's, Juliet's, Mansoor Brothers Ltd, Miguel Moses, Mode Alive, Queensway Ltd., Radica Trading Co. Ltd., Richard Sabga & Sons, and Yufe's
- Potential precinct entrepreneurs who have their own fashion labels and may be encouraged to establish a presence in the proposed POSIFC include Meiling, Heather Jones Designs, Claudia Pegus Designs, Peter Elias, Milhouse Clothing,

Kloz Ltd., Inn Collection, Zero Gravity, Zadd & Eastman, Dexter Jennings, Rodney Alexander, KAJ Designs, SGP Designs, Emphasis Clothing, Ecliff Elie Designs, and Monica Bishop Couturier.

- Potential precinct entrepreneurs who are garment manufacturers and may be encouraged to have an association with the proposed POSIFC include B & Tees Ltd., Caribbean Leisure Wear Ltd., Comfort Garments Ltd, Eagle Shirt Factory Company (2001) Ltd., East Caribbean Industries Ltd., Elite Ltd., Fit Rite Garment Factory, Generation Manufacturers Co. Ltd., Hott Stuff Activewear, International Garment Manufacturers Ltd., Janouras Custom Design Ltd., Front Row Ltd., Knight Investment, Mayfair Knitting Mills (T'dad) Ltd., Eccl Natural Pleasures, Mico Garment Factory, Pampellone Garment Industries Ltd., S&A Garment Contractor Co. Ltd., Sport Line Clothing, Summit Garment Ltd., Sunburn Clothing Co. Ltd., Suntan Tee Shirt Ltd., Superstar Garment Factory, Three Star Sportswear Ltd., Tropical Garment Factory Ltd., Tru-Fit Garment Factory Ltd., Twenty First Century Garment Factory, York Garments Ltd., and Zoom Caribbean Ltd.
- Potential precinct entrepreneurs who are tailoring manufacturers and may be encouraged to have an association with the proposed POSIFC include the Apparel Institute, Bradford Trading Ltd., Chase Tailoring Establishment., Da Costas Tailoring, David Ramnauth & Sons, Dulip Singh, Karl Van Ray, Poui's Garment, Samaroo's Tailoring, Sandiford Tailoring, Shim Tailoring, Tobiki Manshop Ltd., and the Franklyn Tailoring Establishment Ltd.
- Trinidad Textile Manufacturing Co. Ltd. may also be a potential candidate for involvement.

In terms of specific persons, the following have been suggested as being able to make a contribution:

- Dr Michele Reis – a fashion sector Research Consultant.
- Ms. Claudia Pegus – a fashion industry Consultant.
- Ms Camille Pierre of ELLI-MAC Productions Ltd. – Internet and mobile business developer.
- Mr Chris Nathan of Coco Velvet International Fashion Management and the CAFD at UTT.
- Ms Violet Davis-Maurice, Standards Officer III / Head: Fibre Products Laboratory, Trinidad & Tobago Bureau of Standards.
- Ms Karen De Montbrun, President, Trinidad & Tobago Manufacturers' Association.
- Professor Denise Thompson, C-Ideas, UTT.
- Professor Norman Girvan, Institute of International Relations, UWI.
- Maurice Sedwell Bespoke Tailors, Savile Row, London – a possible investor.

### ***Examples of Offshore Players***

The following are a few selected examples of international fashion centre related websites that focus on areas that are highly relevant to this Best Bet and demonstrate the innovative approaches being taken with regard to creating the total fashion experience package based around a commercial theme in different parts of the world.

## Fashion Milan (<sup>11</sup>)

Milan is one of the world's leading fashion centres and has a high profile both within traditional fashion sector scene and the virtual Internet world. It is a high class act with huge resources behind it. It also has major private sector commitment behind it.

Figure 12: An overview of Fashion Shows Milan online



## Fashion Center New York (<sup>12</sup>)

This is a portal that focuses more towards the commercial side of the New York Fashion Center district and its management. It is a useful model that could provide a basis for a POSIFC Management Business Company as it embraces the whole package required to run a successful International Fashion Centre.



## Chapel Street, Melbourne, Australia (<sup>13</sup>)

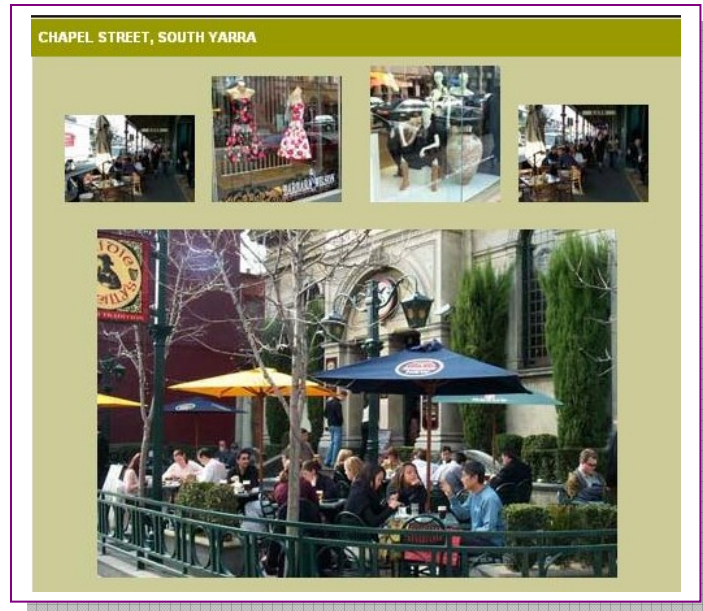
Chapel Street is in the suburb of South Yarra in the Australian city of Melbourne and has become a classy international fashion boutique centre that features top Australian fashion designers and manufacturers as well as a range of accessories. What is special about Chapel Street is the whole feel of this fashion district which combines cafes, classy restaurants, bars, specialist retail outlets and great vantage points for 'people watching'. Add in the trams that rumble down the street and the atmosphere has a real international class feeling about it.

<sup>11</sup> <http://www.milanfashionshows.com>

<sup>12</sup> <http://www.fashioncenter.com>

<sup>13</sup> <http://www.melbourne.com.au/chapel.htm>

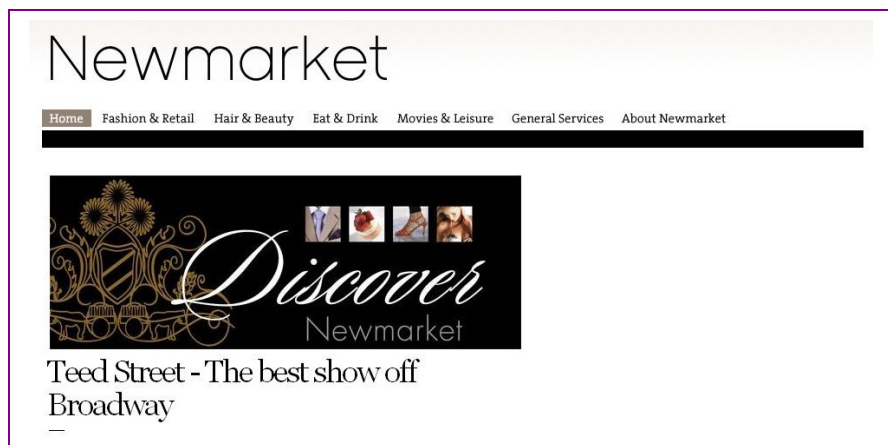
**Figure 13: An overview of the offer in Chapel Street, Melbourne, Australia**



**Newmarket, Auckland, New Zealand (<sup>14</sup>)**

This fashion centre development is still in its early developmental stages but it is rapidly transforming what used to be an old traditional and somewhat tired shopping area near central Auckland, a city of 1,300,000 citizens. The development includes all the country's established fashion designers and manufacturers such as Trelise Cooper, Zambesi, and Kate Sylvester as well as a number of up-and-coming stars. As with the Chapel Street fashion centre in Melbourne, the development includes entertainment centres, the Maori Development Corporation (which represents the indigenous people of New Zealand), numerous cafes, bars, restaurants, and high class retail outlets.

**Figure 14: The Teed Street fashion district in Newmarket, Auckland, New Zealand**



<sup>14</sup> <http://www.newmarket.net.nz>



### Fashion Caribbean, St Vincent and the Grenadines <sup>(15)</sup>

This is one example of the intensifying competition that is emerging in small Caribbean island nations to stake a claim in the regional and international fashion scene. Jamaica and Barbados are also focusing efforts into this area. Fashion Caribbean is driven by a highly entrepreneurial and innovative business woman in SVG – Ms Monique Tash.

**Figure 15: The colourful and artistic front page for Fashion Caribbean online**



### Maurice Sedwell Bespoke Tailors – Savile Row, London <sup>(16)</sup>

This website is an example of a high class men's tailor in the famous Savile Row district in London, UK. The business has won a number of national and international awards for the high quality of their work. It is an example of the level of excellence required if a fashion district is going to attract international attention as a centre of interest and excellence. It has been suggested that the business may be a possible investor in a POSIFC type of project.

<sup>15</sup> <http://www.fashioncaribbean.vc/home/index.php>

<sup>16</sup> <http://www.savilerowtailor.com>

**Figure 16: Maurice Sedwell – Savile Row Tailor, UK**



Other international stakeholders with links to T&T who could play a significant role include:

- Francis Hendy: Design House – New York, USA.
- Simon Duncan: Design House – New York, USA.
- Donna Dove: Fashion Designer – New York, USA.
- Hermine Wilson: Fashion Designer [Buccoo Reef] – New York, USA.
- Daronte: Fashion Designer – London, U.K.

### 3.2.11 Implementation Roadmap

An indicative road map for implementing the ‘POSIFC’ Best Bet investment proposition, the targets that are set, what will be needed to ensure that those targets are achieved, and who is involved in order to achieve a positive outcome, is shown in Table 5.

**Table 5: Indicative roadmap for implementing the ‘POSIFC’ Best Bet investment opportunity**

By when?	What?	Who?
1st 6 months	<ul style="list-style-type: none"> <li>• Public and private sector stakeholders incorporate the POSIFC Management Company and appoint an executive team.</li> <li>• A business and marketing plan is developed, finalised and financing is in place.</li> <li>• An initial group of fashion businesses is pulled together to form the basis of the fashion centre.</li> <li>• IFC physical design and construction is initiated and commences within 3 months, where needed.</li> <li>• Market research carried out to identify the best marketing and promotion approach.</li> <li>• Key alliances with offshore parties are negotiated and signed off</li> <li>• e-Commerce components put in place and arrangements with financial institutions signed off.</li> <li>• Sales capability functional by the end of the six month period with commission component operational.</li> </ul>	<ul style="list-style-type: none"> <li>• Key Public &amp; Private Sector Stakeholders</li> <li>• Board / Executive Team / Fashion Sector / Marketers</li> <li>• Executive Team / Fashion Sector</li> <li>• Executive Team</li> <li>• Market Researcher</li> <li>• Executive Team / Alliance Partners</li> <li>• ICT Group / Bank / Executive Team</li> <li>• All parties</li> </ul>

<b>By end of year 1</b>	<ul style="list-style-type: none"> <li>• 10 properties for lease to fashion sector businesses and ancillary operations are under management and generate management fees.</li> <li>• 200 fashion sector stakeholders have signed up to pay an annual levy to promote their sector.</li> <li>• A 5% commission is received for 5,000 fashion item sales linked to the POSIFC Mgt. Co. activities.</li> <li>• A 5% commission is received for 5,000 fashion items sold through the POSIFC international online portal.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Team</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> </ul>
<b>By end of year 2</b>	<ul style="list-style-type: none"> <li>• First year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• 50 properties for lease to fashion sector businesses and ancillary operations are under management and generate management fees.</li> <li>• 250 fashion sector stakeholders have signed up to pay an annual levy to promote their sector.</li> <li>• A 5% commission is received for 25,000 fashion item sales linked to the POSIFC Mgt. Co. activities.</li> <li>• A 5% commission received for 25,000 fashion items sold through the POSIFC international online portal.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> </ul>
<b>By end of year 3</b>	<ul style="list-style-type: none"> <li>• Second year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• 100 properties for lease to fashion sector businesses and ancillary operations are under management and generate management fees.</li> <li>• 300 fashion sector stakeholders have signed up to pay an annual levy to promote their sector.</li> <li>• A 5% commission is received for 50,000 fashion item sales linked to the POSIFC Mgt. Co. activities.</li> <li>• A 5% commission received for 50,000 fashion items sold through the POSIFC international online portal.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> </ul>
<b>By end of year 4</b>	<ul style="list-style-type: none"> <li>• Third year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• 150 properties for lease to fashion sector businesses and ancillary operations are under management and generate management fees.</li> <li>• 350 fashion sector stakeholders have signed up to pay an annual levy to promote their sector.</li> <li>• A 5% commission is received for 100,000 fashion item sales linked to the POSIFC Mgt. Co. activities.</li> <li>• A 5% commission received for 100,000 fashion items sold through the POSIFC international online portal.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> </ul>
<b>By end of year 5</b>	<ul style="list-style-type: none"> <li>• Fourth year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• 200 properties for lease to fashion sector businesses and ancillary operations are under management and generate management fees.</li> <li>• 400 fashion sector stakeholders have signed up to pay an annual levy to promote their sector</li> <li>• A 5% commission is received for 250,000 fashion item sales linked to the POSIFC Mgt. Co. activities.</li> <li>• A 5% commission received for 250,000 fashion items sold through the POSIFC international online portal.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> <li>• Executive Team / Sales Group</li> </ul>

### 3.2.12 Financial Scenario

The following financial scenario is based upon some best guess estimates. It is not intended to be used as the basis for making firm investment decisions. The intent is that it provides a base case scenario that can be developed more fully as more information is gathered. The scenario has been developed using the following assumptions:

- That the business generates property management fees for premises owned by property developers and which are on-leased to fashion sector and ancillary business entities within the fashion precincts.
- That fashion sector businesses which commit to be part of the fashion precinct pay an annual levy (at least in the early years) to help fund marketing and promotion.
- That the POSIFC Management Company also receives a small 5% commission for all retail sales made either physically by registered fashion precinct businesses or through online sales generated through the POSIFC portal which the Management Company operates and manages.
- It also assumes that the upkeep and maintenance of the precinct environs, as well as security requirements, will be the responsibility of the relevant government and local government authorities.

These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential scenario outcomes i.e. an outcome built around excellence.

Full details can be found in the Appendix at the end of this report.

**Table 6: An indicative financial scenario for the 'POSIFC' Best Bet investment opportunity**

	In Year 3	In Year 6	In Year 10
Revenue from sales	US \$ 2,375,000	US\$ 10,450,000	US\$ 23,550,000
Basis of revenue figure	Property management fees for 100 premises @ USD 12,000 each Levy payments of USD 1000 from 300 sector businesses A 5% sales commission on 50,000 items valued at USD 100 each A 5% sales commission on 50,000 items valued at USD 250 each	Property management fees for 250 premises @ USD 12,000 each Levy payments of USD 1000 from 450 sector businesses A 5% sales commission on 400,000 items valued at USD 100 each A 5% sales commission on 400,000 items valued at USD 250 each	Property management fees for 450 premises @ USD 12,000 each Levy payments of USD 1000 from 650 sector businesses A 5% sales commission on 1,000,000 items valued at USD 100 each A 5% sales commission on 1,000,000 items valued at USD 250 each
Capital expenditure	US\$ 350,000	US\$ 75,000	US\$ 100,000
Operating expenditure	US\$ 1,870,000	US\$ 6,465,000	US\$ 13,830,000
Earnings before interest and tax (EBIT)	US\$ 505,000	US\$ 3,985,000	US\$ 9,720,000

- Incurred in the preceding time interval

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### 3.2.13 NEXT Star Rating



- T&T has an extensive pool of highly creative talent in the fashion design and manufacturing field.
- Some of those designers have achieved international recognition and success in specialist niche market areas.
- T&T has also had a long history associated with the trading of textiles and has been a regional centre for that trade and the associated derived products.
- However, the state of the main shopping area in Port-of-Spain where much of that historical fashion trade has taken place has deteriorated over the years and the environment has become unsuitable for international visitors to visit because of its untidy appearance, the lack of modern facilities and infrastructure, and a lack of personal security.
- Plans are in place to redevelop a significant part of central Port-of-Spain which could provide the springboard for establishing an internationally attractive fashion centre where T&T's big pool of talent and experience can be displayed.
- One of the biggest challenges will be the change of mindset that is required to transition from the traditional tired retail model that is currently the feature of Port-of-Spain to more modern and attractive models that will attract international visitors and enable T&T's smart fashion professionals to connect effectively with them both locally and globally.
- The types of customers that the POSIFC would need to attract are likely to be quite demanding and highly unlikely to accept a second rate experience.
- The Internet is becoming an important channel for connecting boutique and unique fashion sector offers with specialist groups of often highly individualistic customers and will need to be a major part of the marketing, promotion, and sales thrust of the POSIFC.
- Another big challenge will be to attract the right mix of fashion sector and peripheral stakeholders into the fashion precinct. The fashion sector is notorious for being driven by often quite eccentric individuals who often have a great deal of difficulty working in a 'coopetitive' situation (where individuals leverage off each other's strengths to derive a mutual benefit without losing their independence) rather than competitive 'dog eat dog' situation.
- The model required needs to be carefully thought through and needs to protect that independent spirit, but within an overall win-win situation for everyone.
- The need is for a lead entrepreneur to play a key role in the commercialisation of this Best Bet opportunity in conjunction with the appropriate public sector stakeholders.

- The public sector stakeholders will need to be committed to seeing a positive outcome achieved within specific timeframes and to high standards otherwise the opportunity will be lost.
- The biggest risk is that offshore players will move faster than T&T and secure a stronger position in this evolving opportunity area. A number of other Caribbean island states are keen to become recognised internationally as fashion centres.

### **3.3 Best Bet 3: 'Caribbean Design Portal'**

#### **3.3.1 The Investment Opportunity**

- As in the previous two Best Bet business investment opportunity case studies, this proposition is also built around a portal that connects the Caribbean fashion design capability to the world.
- It is an Internet business that links local and regional fashion and creative design professionals to highly individualistic and niche-based customers and clients who can be located anywhere in the world. The one thing that is common between them is a fascination or interest in all things Caribbean.
- The business will offer a customised design service to such interested offshore parties on a contract basis and is not limited to apparel alone but accessories and other peripheral creative areas.
- This design service will be on a client or customer contract basis and the revenue generated from design fees and, in the case of designs used for manufacturing, a per item royalty on an ongoing basis for a fixed term (say ten years. It will depend upon IP regulations).
- There will also be an annual client registration fee for users who want to access the design pool talent on a regular basis. They will only be required to pay a royalty on any designs used to make end products.
- The business will also offer design training courses that can be delivered over the Internet on a paid access basis.
- In addition, the portal will provide information and video feeds of relevance to the fashion and creative sector as the basis for forming an international community of interest in this theme area.

#### **3.3.2 Rationale**

- In a country of just 1,300,000 people, local T&T based fashion and creative designers have a tiny local market within which they can apply their skills, creativity and innovation.
- It is estimated that approximately 1 billion of the world's inhabitants can be classified as middle to high income earners in the context of a fully developed nation status.
- Just 0.1% of that group equates to approximately 1 million customers. However, they are not located in one country or confined to any one particular age or lifestyle group.
- Such people tend to belong to real or virtual communities of interest where they share their passion in areas such as fashion and the creative sector.
- A key part of both is their continuous demand for innovative and unique new designs and concepts.
- There are emerging market opportunities that connect with ethnic, cultural and religious themes and which resonate strongly with T&T's rich and diverse people heritage.
- There is also a considerable pool of design talent, not just in T&T but also in the Caribbean region and the Diaspora, that could be linked into this unique customised global design capability offer.

- Specialist education is also becoming more readily available over the Internet and enables the best quality persons in one location to deliver high quality education and training electronically to a global market.
- This Best Bet is built around a new business model that is evolving quite rapidly over the Internet.

### 3.3.3 Customer Offer

- The portal will provide customers with a highly interactive portal that is engaging and reflects Caribbean design themes, innovation, and lifestyles.
- It enables customers who have an interest in creative Caribbean design to visit a well designed creative Caribbean design portal to satisfy their needs in terms of experiences, products, and services.
- The design offer includes everything from apparel through to appearance and the environment within which people live and work – a total holistic package.
- A customer or commercial client can come to the portal with a request to design a particular item or deliverable that has certain requirements and which incorporates a Caribbean theme.
- Such designs may be for individual customer use or for commercial clients and will be supplied on a fee basis with additional royalties if the design is for higher volume manufacturing.
- The customer or client provides an idea of what he or she wants. That idea is submitted to a pool of designers who have signed up as service suppliers to the portal and an individual designer or group of designers can make a pitch to win the contract.

**Figure 17: The 'Caribbean Design Portal' offer <sup>(17)</sup>**



<sup>17</sup> NEXT Archives



- The client chooses the winning pitch and a contract is concluded to supply the final design.
- The model proposed could be compared to that used by OpenAd <sup>(18)</sup> – a web portal that evolved to provide creative solutions for the advertising and marketing sector.
- Customers and clients will also be able to access live streams of fashion and design events, e.g. a 3D presentation of Trinidad Fashion Week, links to the proposed Port-of-Spain International Fashion Centre, and the associated ‘Virtual Fashion Centre’ initiative.
- The customer offer will also include the online fashion design courses offered at the Caribbean education at the Caribbean Academy of Fashion and Design (CAFD).

### **3.3.4 Foresight Context**

- The convergence of the ICT, fashion, and creative sectors.
- The trend towards collaborative solution development.
- The trend towards online education and training.
- The trend towards customised solutions for markets of one.
- The trend for global outsourcing of the world’s best specialist expertise.
- The trend towards a growing interest in ethnic, cultural, and religious-based products and services.
- The trend towards unique niche-focussed business models on the Internet.

### **3.3.5 Target Markets**

- The Caribbean Diaspora, in particular in North America and Europe.
- Film studios and their in-house design units in both Hollywood and ‘Bollywood’.
- Fashion houses, both established and emerging, which have an interest in outsourcing designs.
- Clothing manufacturers who are in the market for outsourced innovative designs.
- Clients that have a potential affinity for themes and concepts associated with T&T’s multi-cultural background. For example, the portal could offer to do designs for the African, Arabic and Asian markets.
- Potential target clients could include department stores that wish to add signature collections to range they offer in their stores e.g. H&M, Zara, Conway, and high-end market retailers such as Saks Fifth Ave.
- Schools, web-based communities of interest in the fashion and creative design area in various blog rooms and on highly visual sites such as Facebook, You Tube, My Space, etc.
- Metrosexuals, professionals of colour, and affluent people of colour living in major urban centres both in the developed and developing world.

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<sup>18</sup> <http://www.openad.net>

### **3.3.6 What We Have**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that exist in T&T and which could be used to help realise this Best Bet:

- A long history of fashion and garment manufacture and creative design in T&T.
- High profile designers, many of whom have international recognition, such as Meiling, Ecliff Elie, Claudia Pegus Designs, Heather Jones Designs, Radical Designs, Zadd and Eastman, The Cloth, Westport, and Micles Label.
- A whole host of up and coming designers.
- Other design capabilities in areas such as interior design, set design, costume design, accessory design, body product design, hair consultants and practitioners, health and wellness professionals, and furniture design.
- All these designers have the capacity to offer designs to the portal.
- Designers who are well connected internationally and who have access to new technology, such as CAD design and virtual technology, at a level that is on par with first world nations.
- An ideal geographic location in the centre of the Americas.
- TSTT and Flow are upgrading their network systems further and this should enable people to get online faster.
- There is widespread and improving computer access throughout T&T.
- From the human resources perspective T&T has a large cadre of skilled personnel from all segments of the creative industries who are highly competent and trained. Some are highly educated and others are self-taught innovators and entrepreneurs.
- Online portal development and marketing entrepreneurs such as Camille Pierre of ELLI-MAC Productions Ltd., who also is investigating entry into the virtual education market.
- ELLI-MAC is already working with the Fashion Association of Trinidad and Tobago and this will provide a considerable expertise towards developing a virtual market.
- In terms of branding and marketing there is considerable expertise available in T&T from agencies such as Lonsdale, JDC & Associates, ELLI MAC Productions Ltd., Inglefield and Oglivy, McCann Erickson, Corbin Communications and CMB Advertising, Valdez and Torry, and Coco Velvet Fashion Management.
- The CAFD has collaborated with the animation programme at UTT to transfer technology and interdisciplinary studies. Camille Selvon Abrahams heads this programme.
- Whilst R&D is lacking at present, there is hope. For example, the CAFD will have an R&D component. UWI is also seriously considering establishing a unit at the Creative Arts Centre.
- NIHERST has also taken a proactive role in promoting developments in the fashion and creative sectors through its initiating and funding of various sector foresight and Best Bets projects.

### **3.3.7 What We Need**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that need to be developed in T&T or accessed from offshore in order to realise this Best Bet:

### ***From the Public Sector***

- The government and the public sector need to formally recognise the fashion and creative sectors as priority sectors for national economic and social development and promote both regionally and internationally.
- There needs to be funding support in terms of incentives for tax breaks, duty and tax concessions to import materials not available in the country, assistance with establishing workshops and design factories, to equip ateliers and studios with the necessary broadband infrastructure, and the provision of scholarships for CAFD lecturers to upgrade their technological and business skills
- Such scholarships might be awarded to persons such as Sandra Carr (Fashion Design Department Coordinator at UTT), Lisa Sinanan, Eddie Bowen, Tonia St. Cyr, Hillary Blackman-Dick, Nickson Jack, and Nikelle Celestine (an ICT teacher).
- In terms of Intellectual Property (IP) protection, the process to have trademarks registered needs to be updated at the Ministry of Legal Affairs. It is currently very tedious. IP regulation must work to protect designers' IP. Perhaps there needs to be some way in which design work is provided with a specific identification code that can be tracked both online and offline.
- In terms of ICT infrastructure, the cost of computer hardware and software is still extremely high. A Best Bet of this nature cannot be successfully realised without the appropriate hardware and software.
- From an ICT perspective, and the relevant knowledge associated with this Best Bet, the current levels of training and education are still insufficient. For example, to develop the portal and assist with its implementation there will be a need for more webmasters, web designers, graphic artists, animators, music artistes, models, etc. Some of these skilled groups are in short supply locally and internationally
- There is a need to further upgrade the country's ICT infrastructure and invest more in training in areas such as computer-aided design, which is very relevant to the virtual nature of this Best Bet.

### ***From the Private Sector***

- There is a need for an entrepreneur or group of entrepreneurs to grasp this Best Bet proposition and pursue its commercialisation.
- There is a need for them to link up with private sector venture capitalists and angel investors to provide the capital necessary to establish and run the portal.
- There is a need to establish a public private partnership between the relevant public and private sector stakeholders to promote the portal internationally and align each party's interests into a mutually beneficially direction that makes the whole proposition a resounding success.
- There is a need for a high degree of cross-sector cooperation to leverage the synergies that exist so that package design solutions can be offered to prospective customers and clients.
- There is a need to pull together a pool of T&T based designers, plus others in the region and Diaspora who can contribute towards providing the design solutions, and finalise an agreement with them regarding the basis upon which the arrangement with the portal will be to ensure a win-win situation exists.
- There needs to be more of an international view amongst T&T private sector players and a move towards more cost-effective and technology supported business models that are better suited to small country's such as T&T in the evolving global economy.

- There needs to be an efficient delivery network for the creative designs produced, whether through virtual delivery or in association with global logistics groups.
- Designs, images and other creative deliverables need to have some form of IP related identification such as a watermark that includes the designer's signature, logo, or name or, in the case of electronically delivered items, a digital signature.
- There need to be key alliances and networks set up with designers in the Caribbean and beyond to enlarge the pool of designers available.
- Because high wages are a characteristic of the design and creative sector, there is a need to focus only on those niche design areas that have an associated high value. This is likely to rule out the low cost commodity end of the design market.
- The private sector needs to set up a consortium to arrange the import and distribution of key material and technology supplies required by the sector.
- The private sector also needs to participate in on the job training to help raise the skill levels of promising employees so that the best possible outcome can be achieved.
- There is a need to form partnerships with UTT and the Arthur Lok Jack Business School, UWI.

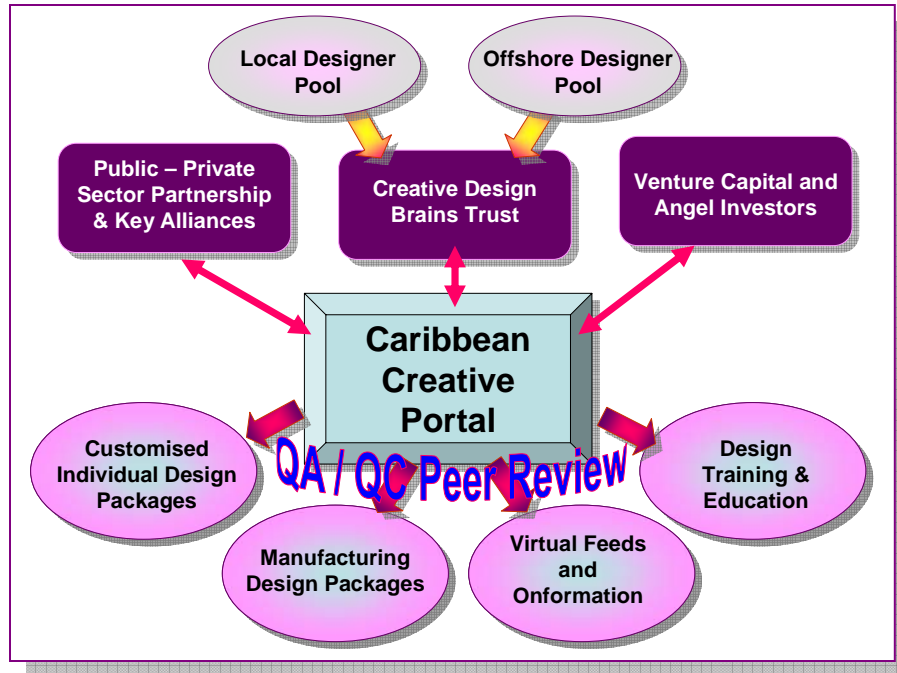
### ***From the R&D Sector***

- In the short-term, R&D is needed to ascertain what resources T&T currently has nationally in the design field and the potential availability and size of markets for creative designs from T&T because there is currently no hard data available to support this Best Bet.
- There is a need to undertake web research to determine who the target markets might be and identify specific online communities of interest that could be of special relevance.
- There also needs to be research into the best potential niche areas that the design portal should strongly focus on e.g. ethnic and Caribbean themed designs.
- In the long-term, there needs to be R&D undertaken that focuses on the future trends in fields such as emerging technologies (e.g. haptics and semantic webs), material science, design hardware and software.
- To have an internationally recognised design portal there is a need to be at the leading-edge when it comes to such knowledge and its application in areas such as intelligent fabrics that adapt to climate change, to light, or can generate electricity or monitor personal health. Knowledge of new and innovative design technologies, manufacturing processes, and virtual functions such as fitting and design rooms also needs to be at the leading-edge.
- There is an urgent need to develop a comprehensive database that provides a resource that records the details associated with all the key stakeholders who will be needed to make this Best Bet work.

### **3.3.8 A Possible Business Model**

In order to develop Creative Design Portal that attracts international attention and custom, the model for a business built around this Best Bet opportunity area may look something like that shown in Figure 18.

**Figure 18: A possible business model for the 'POSIFC' Best Bet <sup>(19)</sup>**



Some important aspects of the proposed model include:

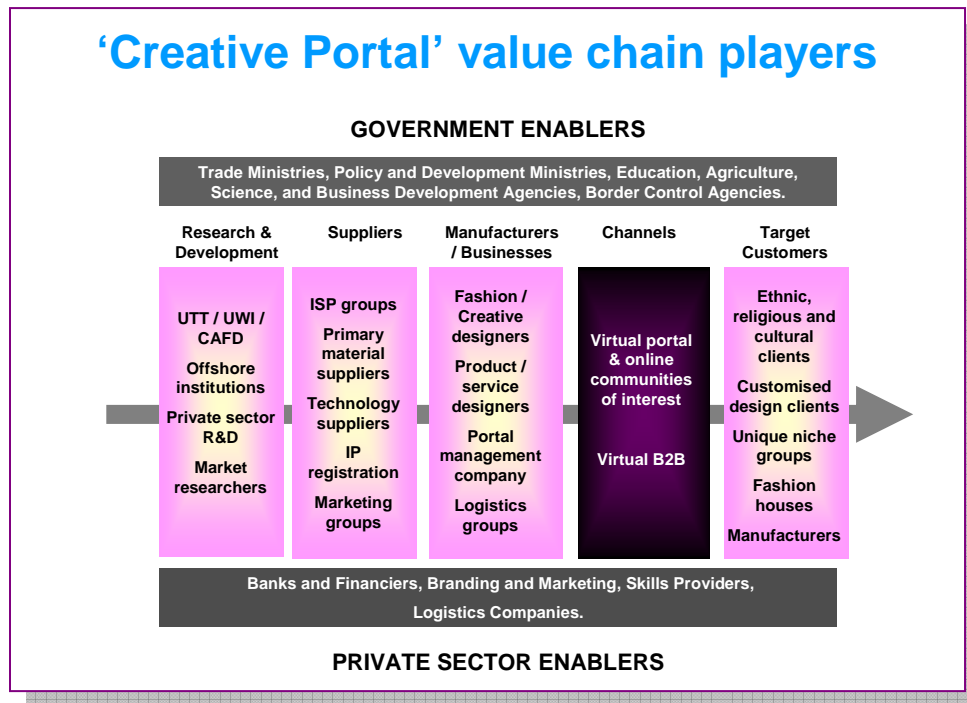
- Pulling together a highly disparate group of individualistic designers within a framework that enables them to protect their creative freedom and yet contribute something to the 'greater good' of T&T.
- The forming of key alliances and partnerships between public and private sector stakeholders to create mutual benefit win-win situations for each stakeholder and T&T as a nation.
- Providing a business model that has been professionally built with a proper associated financial prospectus along with a group of entrepreneurs with a proven track record that will give venture capital and angel investors the confidence to back the venture.
- The marketing and promotion component will largely be developed through key alliances with offshore partners with a particular emphasis on establishing links with online communities of interest and networks that have already identified an interest in the specific niche design offers the portal intends to focus on delivering to.
- There is a peer review function inbuilt into the model that ensures that the design solutions delivered to customers and clients meet the highest international standards.

### 3.3.9 Best Bet Value Chain

- The main player groups in the value chain model that would be needed to leverage the value associated with the 'Caribbean Creative Portal' Best Bet proposition are shown in Figure 19.

<sup>19</sup> NEXT Archives

Figure 19: Key stakeholders in the ‘Caribbean Creative Portal’ value chain model <sup>(20)</sup>



- The highlighted section represents the value chain component that is of crucial significance. In this case it is the ‘Channels’ group because, without a highly effective interface between the design solution suppliers and end customers and clients, the entire Best Bet proposition will not operate effectively.
- To become a Creative Design Portal that attracts niche customer and client groups around the world will require international thinking and an offer that is built upon the level of excellence that is expected in the global market. This means being prepared to deliver on time and beyond client or customer expectations and will require a great deal of discipline and a high level of quality assurance.
- There will also need to be a number of key alliances and partnerships (mainly virtual alliances) set up with offshore stakeholders to ensure a smooth functioning of the entire value chain to create a win-win situation for all parties.

### 3.3.10 Key Players

#### *Key Local Players*

Apart from the names and groups already mentioned in earlier sections in this Best Bet, those interviewed suggested the following locally-based organisations and individuals could provide a valuable contribution towards realising this Best Bet:

- All those groups and individuals associated with T&T’s Carnival designs and theme development and realisation.
- Entrepreneurs with experience in ICT based marketing and portal development such as Camille Pierre of ELLI-MAC Productions Ltd.

<sup>20</sup> NEXT Archives

- Internationally and regionally recognised fashion designers such as Meiling, Ecliff Elie, Claudia Pegus Designs, Heather Jones Designs, Radical Designs, Zadd and Eastman, The Cloth, Westport, and Micles Label. All these designers have the capability to offer design services to the portal.
- Christopher Nathan at the CAFD, UTT could assist with the R&D requirements.
- NIHERST is already contributing through its fashion and creative sector global foresight analyses and Best Bets projects.
- Paulette Alfred at the Creative Arts Centre.
- Pat Bishop at the Carnival Institute of T&T.
- Persons working in the health and wellness, spa and 'Age Defiance' fields such as Cheryl Bowles at Cher Mere.
- Cosmetic development groups such as Sacha Cosmetics.
- The CAFD which will supply training and education needs to prepare students to participate in international markets as of September 1, 2008.
- Other institutions that could also contribute include the Arthur Lok Jak Business School, the School of Business and Computer Science for ICT, and online educational offers with international universities.
- CARIRI and ECIAFF are doing research in the agricultural side that may lead to advances in areas such as the blending of materials.

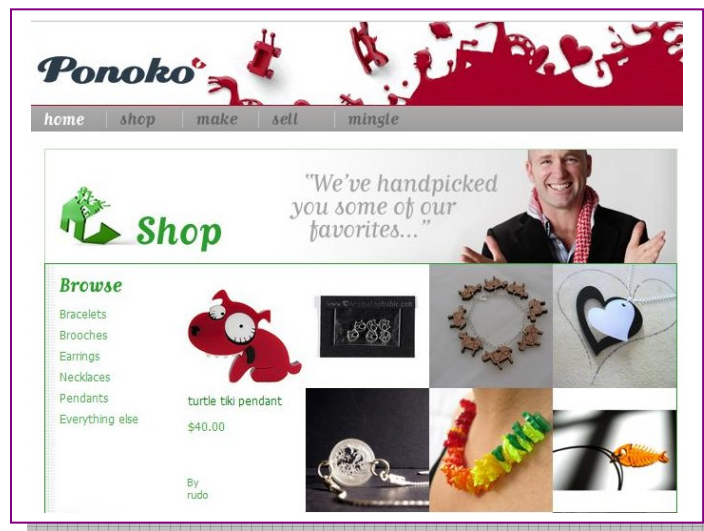
### **Examples of Offshore Players**

The following are a few selected examples of international design-related websites that focus on areas which are highly relevant to this Best Bet and which are taking leading-edge approaches with regard to creating and delivering unique designer solutions.

#### **Ponoko (2<sup>1</sup>)**

This is a New Zealand based company that offers an online 3D custom design service for a range of applications relevant to this Best Bet. It also includes a manufacturing and delivery component for finished products.

**Figure 20: A section of the Ponoko customised design website**



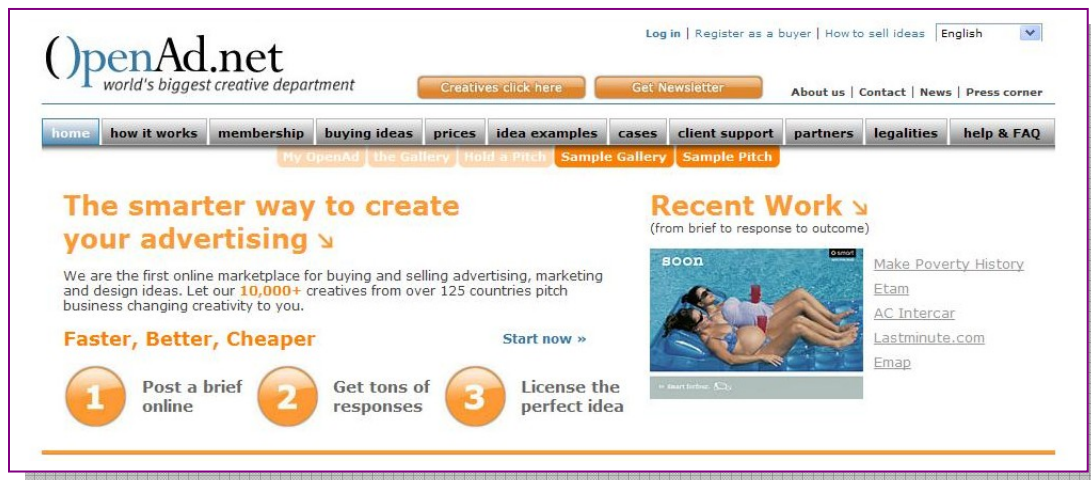
<sup>21</sup> <http://www.ponoko.com/>

## OpenAd (22)

Whilst OpenAd is not specifically in the fashion and personal design area, it is a hugely successful international creative portal that delivers customised solutions to clients internationally in the advertising and marketing sector. The portal has only been in operation for a few years and now has a pool of 10,000 creatives who are invited to pitch for and provide advertising and creative solutions that meet specific client needs. Those who make a successful pitch are then contracted to deliver to the client. OpenAd receives both registration fees from client groups as well as commissions on contracts that are successfully concluded.

This model provides an excellent reference point when it comes to developing a 'Caribbean Creative Portal'.

**Figure 21: A section of the OpenAd website portal**



## The HAPTEX Project (23)

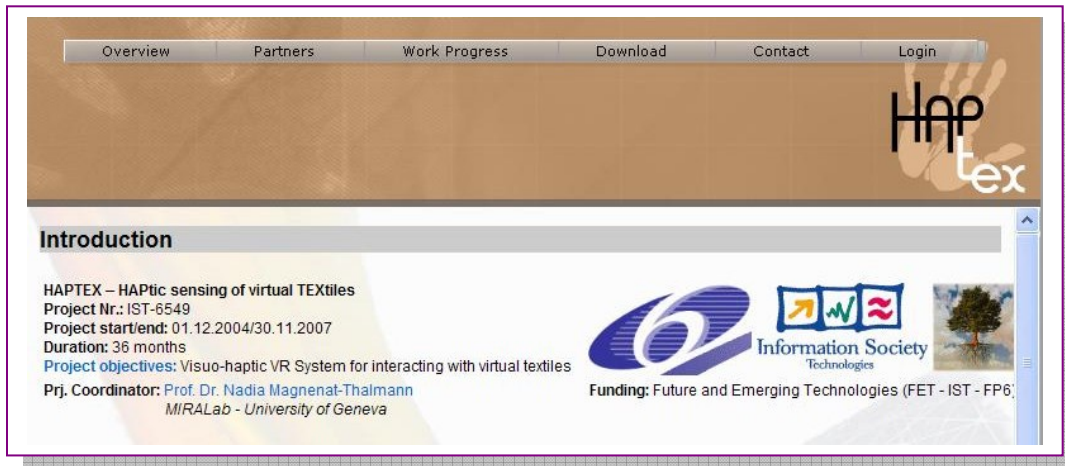
This is a European project that has developed a virtual electronic interface that allows people to touch, feel, stretch and pull fabrics. This haptic technology (software technology that facilitates activation of human senses through computer interfaces and over the Internet) will soon be available to the world. It has huge ramifications for the fashion and textile sector as persons will be able to touch and feel new innovative fabrics and designs long-distance without the need of sending physical samples.

22 <http://www.openad.net>

23 <http://haptex.miralab.unige.ch/>



Figure 22: A section of the HAPEX project website



## My Virtual Model (24)

My Virtual Model Inc., employs about a hundred people and has been setting the standard for virtual identity since 2000. It has developed innovative products such as virtual changing rooms, models to personalize and share online, simulators for home decorating, as well as virtual weight loss applications.

Their latest product is called 'Brand Me' and allows users to display several brands in their virtual wardrobe and post them on their personal page where visitors can comment on them. The company has many clients in the retail trade, fashion and beauty industries, such as Sears, H&M, Adidas, Speedo, Levi Strauss & Co., and is associated with portals and virtual social networks such as Facebook, MySpace, iVillage.com and gURL.

Figure 23: A section of the My Virtual Model website

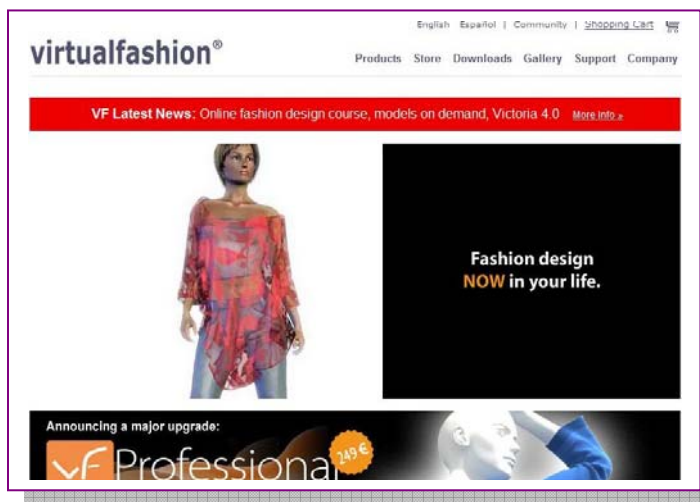


24 <http://www.mvm.com/en/index.php>

## Virtual Fashion Professional 1.0 <sup>(25)</sup>

This is a downloadable fashion design learning module available over the Internet for personal use. The promotional material says that, *‘Virtual Fashion Pro is the first fashion design system that lets you bring your creative fantasies to life. You will be able to run a complete draping simulation to see how the garments adapt to the model’s pose according to the type of fabrics chosen, as they would if they were real. You can customize your model changing the posture, facial gesture, eye, hair, and skin color and you can even apply make up. VF PhotoStudio puts yourself behind the camera and offers you lighting effects, angles and zoom. Version 1.0 includes transparency value scale starting from 0, adds backup utility, progress bar, and a new button to reset simulation in VF Fitting Room.’*

**Figure 24: Virtual Fashion 1 – education and training off the Internet**



### 3.3.11 Implementation Roadmap

An indicative road map for implementing the ‘Caribbean Creative Portal’ Best Bet investment proposition, the targets that are set, what will be needed to ensure that those targets are achieved, and who is involved in order to achieve a positive outcome, is shown in Table 7.

**Table 7: Indicative roadmap for implementing the ‘Caribbean Creative Portal’ Best Bet investment opportunity**

By when?	What?	Who?
1st 6 months	<ul style="list-style-type: none"> <li>Stakeholders incorporate the portal operating company and appoint executive team.</li> <li>A business and marketing plan is developed, finalised and financing is in place.</li> <li>An initial pool of designers is pulled together and the terms and conditions for working in association are agreed.</li> </ul>	<ul style="list-style-type: none"> <li>Group of Entrepreneurs</li> <li>Board / Executive Team / Designers &amp; Creatives</li> <li>Private Contractor/ Legal group / Executive Team</li> </ul>

<sup>25</sup> <http://www.virtual-fashion.com>

	<ul style="list-style-type: none"> <li>• Portal design and construction is initiated and completed within 3 months.</li> <li>• Market research carried out to identify online communities that need to be connected with.</li> <li>• Key alliances are initiated including offshore stakeholders.</li> <li>• e-Commerce components put in place and arrangements with financial institutions signed off.</li> <li>• Sales capability functional by the end of the six month period with full e-commerce functionalities inbuilt.</li> </ul>	<ul style="list-style-type: none"> <li>• ICT and Web Design Company</li> <li>• Web Market Researcher</li> <li>• Executive Team / Alliance Partners</li> <li>• ICT Group / Bank / Executive Team</li> <li>• All parties</li> </ul>
<b>By end of year 1</b>	<ul style="list-style-type: none"> <li>• 2 commercial design clients have signed up and paid the US\$ 100,000 annual fee.</li> <li>• 200 individual design solutions have been delivered.</li> <li>• 5000 design use royalties have been received and commissions deducted.</li> <li>• 250 educational online courses have been sold and the commissions deducted.</li> <li>• Business plan and funding for Year 2 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team</li> </ul>
<b>By end of year 2</b>	<ul style="list-style-type: none"> <li>• First year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• The pool of designers has been extended to provide a broader pool for clients to choose from.</li> <li>• Online market development expanded through additional research and relationship building.</li> <li>• 4 commercial design clients have signed up and paid the US\$ 100,000 annual fee.</li> <li>• 500 individual design solutions have been delivered.</li> <li>• 25,000 design use royalties have been received and commissions deducted.</li> <li>• 1000 educational online courses have been sold and the commissions deducted.</li> <li>• Business plan and funding for Year 3 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Designers</li> <li>• Web Market Researcher</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team</li> </ul>
<b>By end of year 3</b>	<ul style="list-style-type: none"> <li>• Second year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• The pool of designers has been extended to provide a broader pool for clients to choose from.</li> <li>• Online market development expanded through additional research and relationship building.</li> <li>• 6 commercial design clients have signed up and paid the US\$ 100,000 annual fee.</li> <li>• 1,000 individual design solutions have been delivered.</li> <li>• 50,000 design use royalties have been received and commissions deducted.</li> <li>• 10,000 educational online courses have been sold and the commissions deducted.</li> <li>• Business plan and funding for Year 4 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Designers</li> <li>• Web Market Researcher</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team / Designers</li> <li>• Executive Team</li> </ul>
<b>By end of year 4</b>	<ul style="list-style-type: none"> <li>• Third year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• The pool of designers has been extended to provide a broader pool for clients to choose from.</li> <li>• Online market development expanded through additional research and relationship building.</li> <li>• 8 commercial design clients have signed up and</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Designers</li> <li>• Web Market Researcher</li> <li>• Executive Team /</li> </ul>

	<ul style="list-style-type: none"> <li>paid the US\$ 100,000 annual fee.</li> <li>2,000 hundred individual design solutions have been delivered.</li> <li>100,000 design use royalties have been received and commissions deducted.</li> <li>30,000 educational online courses have been sold and the commissions deducted.</li> <li>Business plan and funding for Year 5 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Designers</li> <li>Executive Team / Designers</li> <li>Executive Team / Designers</li> <li>Executive Team / Designers</li> <li>Executive Team</li> </ul>
<b>By end of year 5</b>	<ul style="list-style-type: none"> <li>Fourth year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>The pool of designers has been extended to provide a broader pool for clients to choose from.</li> <li>Online market development expanded through additional research and relationship building.</li> <li>12 commercial design clients have signed up and paid the US\$ 100,000 annual fee.</li> <li>5,000 individual design solutions have been delivered.</li> <li>250,000 design use royalties have been received and commissions deducted.</li> <li>70,000 educational online courses have been sold and the commissions deducted.</li> <li>Business plan and funding for Year 6 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Designers</li> <li>Web Market Researcher</li> <li>Executive Team / Designers</li> <li>Executive Team / Designers</li> <li>Executive Team / Designers</li> <li>Executive Team / Designers</li> <li>Executive Team</li> </ul>

### 3.3.12 Financial Scenario

The financial scenario shown in Table 8 is based upon some best guess estimates. It is not intended to be used as the basis for making firm investment decisions. The intent is that it provides a base case scenario that can be developed more fully as more information is gathered. The scenario has been developed using the following assumptions:

- That the business generates an annual fee from a select number of international fashion industry stakeholders who get priority access to the designer talent pool in the same way the OpenAd has constructed its business model.
- That there are a significant number of individuals and specialist niche operators who are prepared to pay a significant fee to access their own personalised design solution and that the CDP receives a 5% commission on those fees.
- That certain designs destined for larger scale manufacture attract a royalty fee and the portal gets 5% of the gross royalty paid to the designers in the talent pool who own the original design.
- That the portal is able to develop a significant market for online fashion educational programmes and receives a 5% commission of the fees charged for those courses.

These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential scenario outcomes i.e. an outcome built around excellence.

Full details can be found in the Appendix at the end of this report.

**Table 8: An indicative financial scenario for the ‘Caribbean Creative Portal’ Best Bet investment opportunity**

	In Year 3	In Year 6	In Year 10
Revenue from sales	US \$ 1,037,500	US\$ 6,700,000	US\$ 29,000,000
Basis of revenue figure	2x client fees @ USD 100,000 each. 5% commission from customer fees for 1,000 designs at a gross fee of USD 1,000. 5% commission on royalties from sales of 50,000 items. 5% sales commission on 10,000 educational packages with a gross value of US\$ 750 each.	16x client fees @ USD 100,000 each. 5% commission from customer fees for 10,000 designs at a gross fee of USD 1,000. 5% commission on royalties from sales of 250,000 items. 5% sales commission on 120,000 educational packages with a gross value of US\$ 750 each.	40x client fees @ USD 100,000 each. 5% commission from customer fees for 120,000 designs at a gross fee of USD 1,000. 5% commission on royalties from sales of 1,000,000 items. 5% sales commission on 500,000 educational packages with a gross value of US\$ 750 each.
Capital expenditure	US\$ 505,000	US\$ 120,000	US\$ 160,000
Operating expenditure	US\$ 1,100,375	US\$ 4,250,000	US\$ 15,710,000
Earnings before interest and tax (EBIT)	US\$ -70,875	US\$ 2,442,000	US\$ 13,200,000

- Incurred in the preceding time interval

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### 3.3.13 NEXT Star Rating



- T&T has an extensive pool of highly creative talent in the fashion and creative design field.
- Some of those designers have achieved international recognition and success in specialist niche market areas.
- However, the potential that exists has been limited by the country’s small size and lack of global connectedness.
- Advances in ICT and the Internet now make it easy for T&T designers to go global – but that also requires being competent enough to operate in a global environment and deliver to the standards expected – even beyond if clients are to be ‘delighted’ and come back again.
- One of the biggest challenges will be the change of mindset that is required to transition from the traditional creative and fashion sector model that currently exists in T&T and move to more modern and attractive Internet based models that will

connect the country's creative design talent with niche international customer and client market opportunity areas.

- The Internet is becoming the most important channel for connecting boutique and unique fashion and creative design offers with specialist groups of often highly individualistic customers.
- The model required needs to be carefully thought through and needs to protect the independent spirit of T&T's creative designers, who tend to be highly individualistic, within a framework that provides an overall win-win situation for everyone.
- The need is for a lead entrepreneur to play a key role in the commercialisation of this Best Bet opportunity because, without that entrepreneurial spirit, there is little chance of it ever succeeding.
- The biggest risk to T&T is that offshore players will move faster than local entrepreneurs and secure a stronger position in this evolving opportunity area.
- There are a number of highly innovative and entrepreneurial players emerging in this field internationally and so the 'flavour' and focus of the Caribbean Design Portal will play a key role in determining its success or failure as a proposition.

### **3.4 Best Bet 4: 'Toco Transitions'**

#### **3.4.1 The Investment Opportunity**

- This business proposition is higher risk than the other three and is built around the concept of what is described as being '7 to 7 Transition Clothing.'
- The business will design and manufacture a high technology apparel product which one person can wear for a twelve hour plus period and which adapts to changing environments. It is also self-cleaning and includes a number of other 'intelligent' functions that help make life easier for busy people who live highly mobile lifestyles.
- Because it is such a specialised product it is aimed completely at the high-end of the market and will largely be sold in specific offshore niche markets.
- For this reason each item will be sold for a premium price as it will be totally unique and not price driven but rather demand driven.
- There will be two brand areas – an 'Elite' brand that attracts the type of value associated with Savile Row, Saks 5<sup>th</sup> Avenue and other elite market segments and a 'Funky' brand which still commands a premium but is aimed at the 'Yuppie' and 'Geek' market segments where customers are prepared to pay a high price for innovative and unique products.

#### **3.4.2 Rationale**

- One of the biggest challenges busy corporate executives, business persons and successful creatives and artistes face is having enough time to do everything.
- Having to continuously change apparel to suit different environments and venues is a time consuming task.
- Giving people a 'gift of time' is a major growth opportunity area all around the world.
- Developments in the fields of material science and textile technology have now advanced to the point where 'smart' and 'intelligent' fabrics that have inbuilt functional components are becoming a growth market niche opportunity area.
- Some of those developments include self-cleaning fabrics, textiles that change colour when in different environments, electricity generating fabrics, and fabrics that create partial invisibility.
- Other functions include body vital sign monitoring and innovative displays such as LED panels.
- Whilst the 'Toco Transitions' Best Bet may sound like something out of science fiction, leading-edge developments are making it a reality and such products could be designed and delivered today.
- In fact all the required functions already exist and are being used to manufacture commercial clothing and apparel items by highly innovative and entrepreneurial companies.
- The big opportunity area is because most of the commercial and marketing groups currently developing businesses in this field are using just one of the functions, not the whole package as envisaged in this Best Bet.

### 3.4.3 Customer Offer

- The customer offer is an apparel range that is made from a single fabric and which can be worn from 7.00 a.m. to 7.00 p.m., perhaps even longer, and which adapts to different environments and occasions as the day transitions. For example, these may include going for an early morning run, being in a work environment, having lunch with and then attending an evening social function.
- Such apparel would be made from fabrics that are self-cleaning and which possess smart functionalities such as being able to change colour, appearance and texture to suit the different environments within which the wearer transitions during the day.
- This single garment can be worn for twelve hours and makes the wearer feel fresh and great for the whole time.
- It will have an inbuilt deodorising function to ensure that the wearer stays fresh for that time frame.
- The customer can also choose from a range of additional functions such as personal health monitoring and electricity generation capabilities to power mobile devices such as laptops, iPods and cell phones.

**Figure 25: The 'Toco Transitions' Best Bet customer offer**



### 3.4.4 Foresight Context

- The convergence of technologies.
- The rapid advances being made in materials science which are adding 'intelligent' functions to previously inert materials and components.
- The growing demand for customised smart solutions.
- The need for convenience, comfort, and 'simple living'.
- The growing need for a 'gift of time'.



- The trend towards living in a 24/7/365 world where time phases blur.
- The evolution of 'infrastructure for one' – smart apparel that provides innovative solutions for people who live highly mobile lifestyles.
- The trend to having something that no one else has so you can be considered as being unique or outrageous – the egoistic society.

### 3.4.5 Target Markets

- This is a highly specialised niche market product and so the focus would be on high earners who are probably mainly in the 30 – 55 year age group.
- They are people who are extremely busy, live life on the run, have limited time and need to transition through a number of environments and venues in a single day.
- The types of persons are likely to include celebrities, high earning creative people, business executives, the yuppie type individual, high level politicians and public servants, professional sports people, and other high earning professional groups.
- They are the type of persons who are concerned about their appearance at all times and also try to maintain their health and wellness so that they can cope with their busy lifestyles so the inbuilt health monitoring component is likely to appeal.
- They are also likely to be living highly mobile lifestyles and need to make sure their battery operated mobile devices don't give up on them at any time so they will be most interested in having an inbuilt capability that enables them to recharge these devices using electricity generated by the apparel they are wearing.
- In terms of markets high-end niches in major cities such as New York, London, Berlin, Singapore, Tokyo, Paris, Moscow, Sydney and a number of other large international cities are obvious targets.
- Large modern cities in China such as Shanghai are likely to be a real opportunity area because of the rapid rate of technology 'leapfrogging' happening in that country. There is a fascination with the outrageous and leading-edge concepts that is not constrained in the way traditional markets might be.
- The cultural creatives and intelligentsia who are Internet savvy and who can be living anywhere in the world but are likely to belong to highly specialised communities of interest on the World Wide Web. 'Shaping Tomorrow' <sup>(26)</sup> is one example.

### 3.4.6 What We Have

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that exist in T&T and which could be used to help realise this Best Bet:

- T&T has a high level of creativity and considerable talent in the design field.
- There are also people with good ICT skills and a good availability of production equipment in T&T.
- There are good research and development capabilities available in the country.
- The G-pan development project shows that the government will accept one-off R&D funding proposals. The state provided TT\$ 1 million towards that project.
- Existing successful accessory designers and manufacturers at the local and international level.

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<sup>26</sup> <http://www.shapingtomorrow.com>

- There are increasing numbers of design students and this Best Bet is a novel project to throw out to students at design schools. The creativity would be more in the fabric than the actual design of the garment and include elements such as photosensitivity.
- The design can be done in Trinidad but production can be done anywhere in the world.
- The EPA may have some impact because it provides some preferential arrangements. Trade agreements are being revisited with China and India and might make it easier to access services, manufacturing capacity and volume. It may be that everything can be done within the Caribbean.
- There are grants and funds available for education and training.
- There are few entrepreneurs and investors in T&T but there are certainly options offshore in the R&D field in places like Germany, Australia and the Far East.
- There are also potential investors in India and China.
- Local entrepreneurs include Dianne and Gary Hunte who could be important players. The Radical label is the only local business doing design making and selling on a larger scale. The people who own Drydock and Catwalk may also be interested.
- Although there is currently a labour shortage locally, there are many skilled garment workers that could be attracted back if the wages were more attractive.
- In terms of branding and marketing, a very creative marketing pool and advertising houses with international partners are based here in T&T.

### **3.4.7 What We Need**

The workshop participants and those sector stakeholders interviewed have identified the following areas as resources that need to be developed in T&T or accessed from offshore in order to realise this Best Bet:

#### ***From the Public Sector***

- The Government has expressed a commitment to develop the non-energy sector so this project could fit under this banner, although fashion has not yet officially been recognised as the 8th non-energy sector for development.
- The Government of T&T would need to play a major facilitation role for the development of this Best Bet. It would also need to assist by providing funding in the area of research and development, especially to UTT.
- Additional funding initiatives such as incentives, grants and tax breaks for new and innovative business developments based around T&T's designers and manufacturers would be valuable.
- There needs to be better covering of the legal aspects. T&T laws provide adequate IP protection locally that would allow for the development of this Best Bet. The IP office here in T&T will point you towards the procedures needed to protect the product internationally. However, IP enforcement procedures will need strengthening.
- There needs to be improved air and sea links as well as improvements at the ports.
- Something needs to be done about the country's crime epidemic as it is affecting productivity.
- The T&T Bureau of Standards (TTBS) needs to play a stronger role. They have not addressed fashion manufacturing standards in any significant way beyond ISO certification which deals with quality assurance.

- Such standards are essential as the market place determines what people are willing to pay for. They will refuse to pay for any product that does not meet the expected standards.
- In terms of infrastructure that could support sector development, this could be through the country's foreign embassies and consulates, through the Caribbean Academy of Fashion and Design (CAFD) at UTT, and the Ministry of Trade and Industry.
- In other areas of infrastructure T&T is reasonably well endowed but there needs to be an improvement in reliability across the board whether it is in the areas of water, electricity, or broadband services. Striving improved reliability is what has been missing.
- In terms of education and training there is a need to train people suited to a service focused culture.
- The proposed educational programmes at UTT need to have the right focus. The basics are already being taught throughout T&T but no one is focusing on what the Caribbean differentiator in fashion is – and this is a vital area as it identifies the specific high value niche opportunity areas that a country such as T&T could successfully exploit internationally.

### ***From the Private Sector***

- There needs to be a lead entrepreneur or group of entrepreneurs to drive the realisation of this Best Bet.
- A comprehensive business investment case needs to be developed in order to attract private sector and angel investors to back this project.
- Well developed international marketing expertise and e-commerce expertise will be essential to the success of this Best Bet.
- Any IP that evolves in association with this Best Bet will need to be registered or protecting in some legal way in target markets, in particular the USA, Europe and Asia.
- It seems likely that many of the raw materials will need to be imported, at least in the early years. Such importation will need to be organised and overseen by the backers of this new business.
- Most local garment design and manufacturing businesses are too small for a project of this type and so there would need to be some form of a cooperative arrangement put in place.
- The development of branding and marketing will be essential for this new venture to succeed.
- A high standard of service will be a natural expectation of customers who are likely to buy a product such as this and so local businesses are going to need to invest more into training staff in this area.
- In terms of financial backing potential international investors such as Richard Branson of Virgin, someone with maverick thinking who also has an interest in fashion and who is not a traditional institutional investor, need to be approached. Such investors may be from Germany, Australia and the Far East.
- The sector needs to move more into online sales as it will be crucial to the business's success over the next ten years.
- In terms of branding and marketing, we may have the talent but the marketing required must be world class for this Best Bet business to succeed. The product needs to be available or visible in places like Times Square, London.

- It may be useful to partner with major fashion magazines such as Hearst magazines and get some well-known designers to work on developing the product. This could be someone like Marc Jacobs or someone similar. It could be someone totally new as fashion is quite fickle.
- The marketing approach will certainly need to be highly innovative and connect as directly as possible with the right type of end customers. This will eliminate many of the traditional advertising and marketing approaches as they have little connection and impact with such customers. Infiltrating their communities of interest is likely to be the most beneficial approach.
- One focus area that is likely to appeal to the market is the use of natural materials as far as practical. 'Biomimicry' is becoming a major investment area where natural functionalities such as energy and light generation can be achieved by natural processes.
- There may need to be investment into new equipment in T&T if manufacturing in the country proves to be a viable option. However, it may be more economic to manufacture in India and China through an alliance and do all the higher value design, product development, and marketing work from T&T. This needs to be investigated.

### ***From the R&D Sector***

- This Best Bet depends heavily on ongoing R&D to ensure any product designs and developments are at the leading-edge internationally.
- In the first instance a gap analysis needs to be done i.e. where we are and where we need to be in terms of the technologies available and the potential access to such technologies through licensing and joint venture relationships.
- There is likely to be a need to invest into further R&D that focuses on technology development, material science and prototyping.
- CARIRI is perhaps the only research institution relevant to this area in T&T. UTT may become more important in future years.
- The R&D associated with this Best Bet needs to be driven locally. This means pulling together a team that can first prove the idea and then move it from being a concept through to a marketable product.
- This will require carefully selecting the people who make up the team from both the research and commercial sectors – essentially a public private R&D partnership - and giving each an allocated task.
- It would be useful to explore the possibility of CARIRI or UTT (and CAFD) partnering with a research institute in the Far East. An alliance with an institute in Germany or Australia should also be investigated as they are recognised as being highly innovative in areas relevant to this Best Bet.
- Key private sector people who could contribute within such an R&D team would include people with a high level of knowledge about fabrics and the addition of signature items. Examples of such persons and groups include Claudia Pegus, Meiling and Robert Young. Their work is highly individualistic but also very Caribbean.
- In terms of design, the project might also be of interest to fashion students who could investigate the use of environmentally-friendly materials or experiment with the recycling of waste materials.
- The market in T&T is not sufficiently sophisticated nor is the industry sufficiently developed for testing this type of Best Bet product here. That is why prototype testing

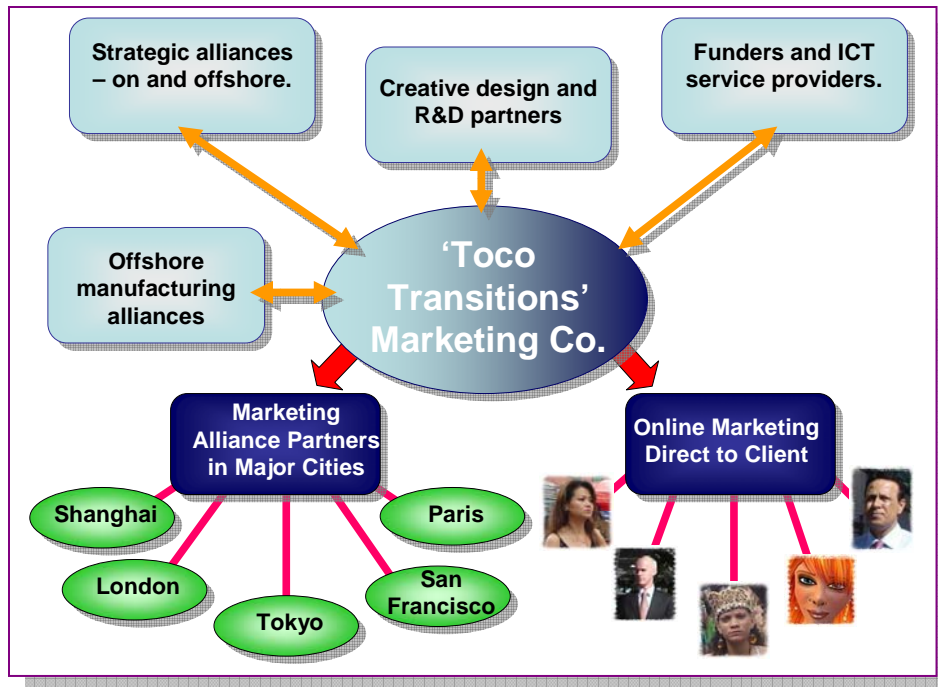
should take place in innovative rapid growth high value new markets such as Shanghai in China.

- There is also a need to invest into R&D that would enable local resource materials to potentially be used in this high-tech elite range of products. Sea Island cotton is one such possibility.

### 3.4.8 A Possible Business Model

In order to develop the 'Toco Transition' proposition into a successful international business, the model may look something like that shown in Figure 26.

**Figure 26: A possible business model for the 'Toco Transitions' Best Bet (27)**



Some important aspects of the proposed model include:

- Developing the local and offshore alliances that will be essential for this Best Bet to achieve commercial success.
- The forming of key alliances and partnerships between public and private sector stakeholders to create mutual benefit win-win situations for each stakeholder and T&T as a nation, particularly in the fields of R&D, business, and skills development.
- Providing a business model that has been professionally built along with a proper financial prospectus and a group of entrepreneurs with a proven track record that will give venture capital and angel investors the confidence needed to back the venture.
- The marketing component will largely depend on the formation of key alliances with offshore partners in major cities where the right type of clientele is likely to be located.

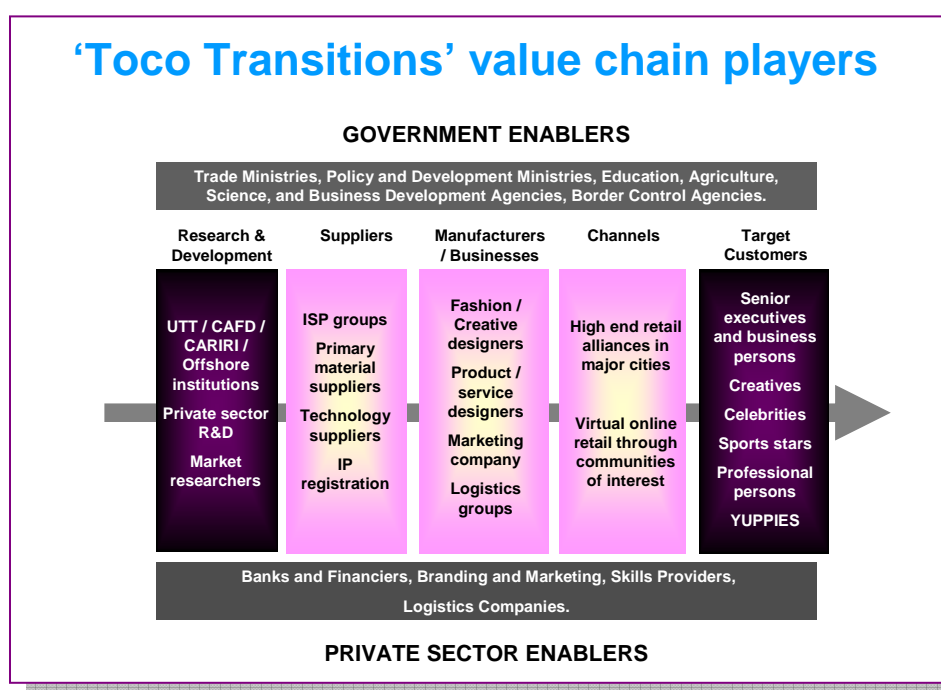
<sup>27</sup> NEXT Archives

- From the online perspective, the emphasis should be on establishing links with online communities of interest and networks that have already identified an interest in the specific niche product offers that 'Toco Transitions' will be marketing.
- Manufacturing will likely be done offshore using high technology modern textile processes and will need to operate under an arrangement that guarantees protection of any IP associated with the products developed and marketed by 'Toco Transitions'.

### 3.4.9 Best Bet Value Chain

The main player groups in the value chain model that would be needed to leverage the value associated with the 'Toco Transitions' Best Bet proposition are shown in Figure 27.

Figure 27: Key stakeholders in the 'Toco Transitions' value chain model <sup>(28)</sup>



- The highlighted sections represent those value chain components that are of crucial significance. In this case it is the 'Research and Development' and 'Target Customers' groups. The target customers are likely to be highly sophisticated and pay a high price for a personal solution that makes their life easier or makes them unique. This means that the technological component in the products becomes a major selling point and that depends upon leading-edge R&D.
- This is a high value product and so ideal for T&T because it can operate within the high cost value chains that exist in the region. It also provides a solution to deal with the high wage costs that prevail in the country. Even in the current global economic slowdown, high-end retailers are continuing to do extremely well <sup>(29)</sup>.
- To attract high value customers and clients in global niche locations will require international thinking and an offer that is built upon a level of excellence that is expected in the global market. This means being prepared to deliver on time and

<sup>28</sup> NEXT Archives

<sup>29</sup> BBC World News, Thursday, July 31, 2008

beyond the client or customer expectations and will require a great deal of discipline and a high level of quality assurance.

- There will also need to be a number of key alliances and partnerships set up with key offshore stakeholders to ensure a smooth functioning of the entire value chain to create a win-win situation for all parties.

### **3.4.10 Key Players**

Many names and groups have already been mentioned in earlier sections in this Best Bet. Those interviewed have suggested that the following locally based organisations and individuals could provide a valuable contribution towards realising this Best Bet:

#### ***Key Local Players***

- Agencies with research capabilities such as CARIRI, NIHERST, and UTT (and the CAFD).
- Innovative and entrepreneurial fashion sector designers and manufacturers in T&T, many of whom have been mentioned in previous sections in this Best Bet proposition.
- Tertiary institutions including the Arthur Lok Jack Business School, UWI and UTT.
- Angel investors and venture capitalists who wish to invest in a more innovative and entrepreneurial type of business.
- The T&T Bureau of Standards.
- The Intellectual Property Office and key staff such as Mr Richard Aching.
- Specialist IT sector service providers in the communications, website design and Internet marketing fields locally and globally.
- NEDCO which is already involved in backing the development of a small business fashion cluster in T&T and promoting local designers overseas, e.g. Ms Lynette Atherley of Tehillah's Designs who was funded to attend a fashion show in Winnipeg, Canada.
- Other business development agencies such as the Business Development Company (BDC) and e-Teck.
- The Ministry of Trade and Industry and innovative staff members such as Ms La Shaun Edwards.

#### ***Examples of Offshore Players***

The following are a few selected examples of international stakeholder websites that focus on areas that are highly relevant to this Best Bet and are taking innovative approaches with regard to creating 'intelligent' apparel. What these examples demonstrate is that the 'Toco Transitions' concept is not such a outrageous idea and there is a high likelihood that all the technologies required to make it work already exist or they are close to becoming a commercial reality.

#### **Net-a-Porter <sup>(30)</sup>**

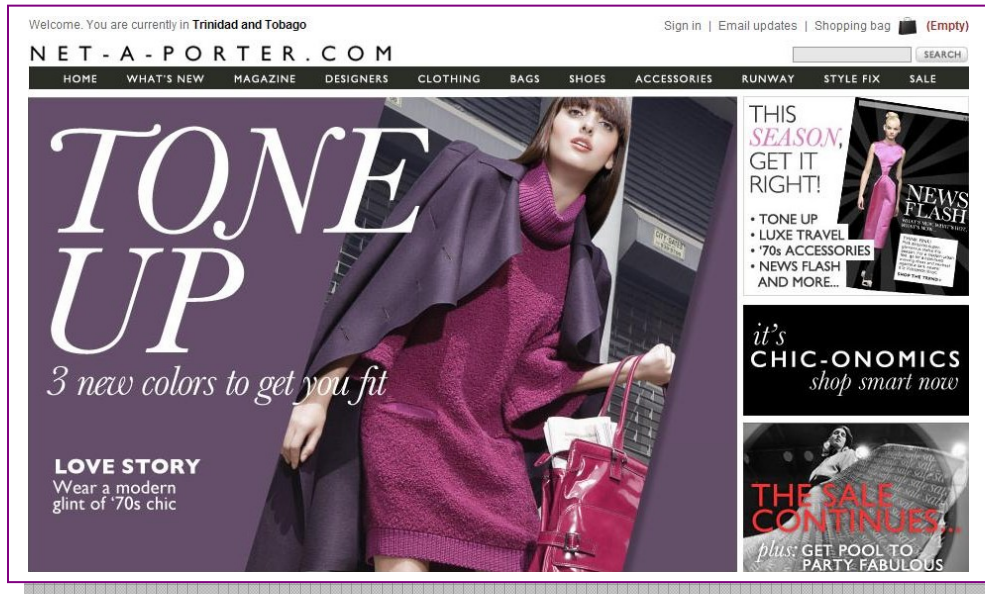
This is a high-end combined street and online designer retail business started by Natalie Massenet in 2000. By 2007, the business had achieved turnover of US\$ 100 million and

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employed 290 people in London and New York. It deals exclusively with high-value clients who purchase expensive items. Her business has now become a global luxury fashion retailer because of the e-commerce function. It is essentially built around a high-end 'community of interest.

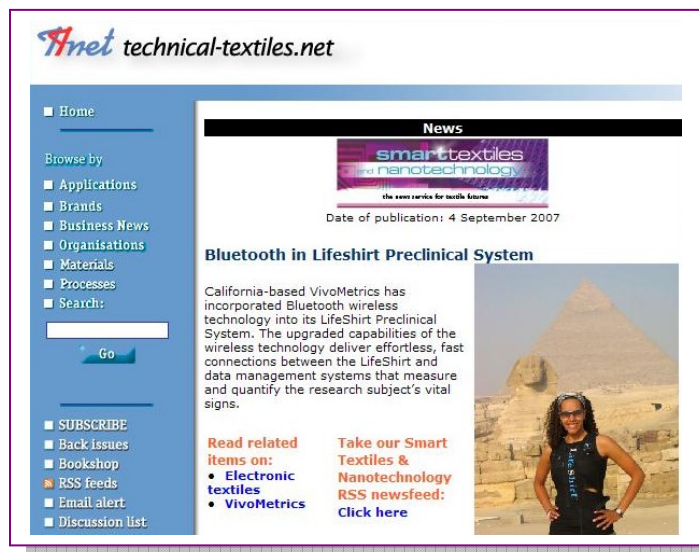
**Figure 28: A section of the Net-a-Porter website front page**



### Vivometrics <sup>(31)</sup>

This Californian company is designing and developing apparel items which have inbuilt 'intelligent' functions that monitor, for example, vital body functions. These innovations include Blue Tooth connections which facilitate the wireless transfer of data whilst the wearer is active.

**Figure 29: The highly innovative Blue Tooth enabled apparel from Vivometrics**



31 <http://www.technical-textiles.net/htm/d20070904.416168.htm>



## Konarka Technologies Inc. <sup>(32)</sup>

This company focuses on the micro-generation of electricity from solar sources and has entered into a joint venture with Textronics to develop clothing that will generate sufficient energy for the wearer to power mobile devices – the so called ‘Solar Suit’ <sup>(33)</sup>

**Figure 30: A section of the Konarka Technologies Inc. website**



Several research groups are also developing textiles and apparel that generate electricity from body movement in the USA <sup>(34)</sup> and body heat in Germany <sup>(35)</sup>.

## Zephyr Technology Limited <sup>(36)</sup>

This extract from the New Zealand based company’s website describes their focus, which is highly relevant to this Best Bet.

*‘Zephyr’s Smart Fabric technology combines the novel use of garment design, patented algorithms and electronic design to produce a suite of unique products. These products provide solutions for in-field physiological monitoring in extreme movement environments. Zephyr solves the problems associated with monitoring high activity exercise, integration of physiological monitoring technology into garments, and communicating physiological data to the web and devices such as mobile phones and watches.’*

One product that they have developed is an ‘intelligent’ inner sole that fits inside shoes and measures the temperature and pressure parameters in the feet of diabetics. It sounds an alarm if the wearer is at risk of suffering from ulceration.

<sup>32</sup> <http://www.konarka.com/>

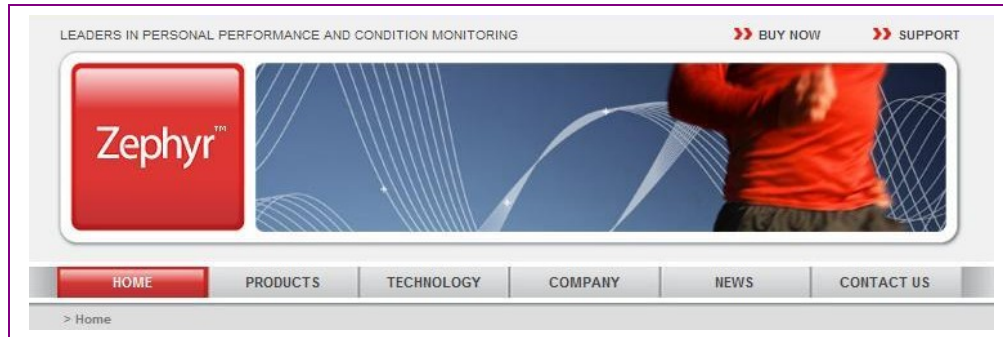
<sup>33</sup> [http://www.treehugger.com/files/2005/09/konarka\\_and\\_tex.php](http://www.treehugger.com/files/2005/09/konarka_and_tex.php)

<sup>34</sup> <http://news.bbc.co.uk/2/hi/technology/7241040.stm>

<sup>35</sup> <http://www.fraunhofer.de/EN/press/pi/2007/08/Researchnews82007Topic1.jsp>

<sup>36</sup> <http://www.zephyrtech.co.nz/>

**Figure 31: A section of the Zephyr Technology Ltd. website**



### The 'Smart Suit' <sup>(37)</sup>

Researchers at the University of South Australia have developed a 'smart suit' and smart T-shirts which record a number of the wearer's vital body functions and download them when hung on an electronic coat hanger to a central data collection and analysis point. The inbuilt monitoring functions can also provide live data over Blue Tooth connections. The garments are fully washable and can also be dry-cleaned.

**Figure 32: Research students Aaron Toney and Wynard Marais with the smart suit system at the University of South Australia <sup>(38)</sup>**



### Self-cleaning clothes <sup>(39)</sup>

In early 2008 Technology Review reported that researchers at Monash University, Melbourne, Australia, have developed self-cleaning fabrics. A nano-layer of titanium oxide applied to natural fibres such as wool, silk, and hemp enables them to automatically remove food, grime, and even red wine stains when exposed to sunlight. Even blue ink stains are automatically removed over a slightly longer time frame.

<sup>37</sup> <http://www.sciencedaily.com/releases/2007/07/070703172336.htm>

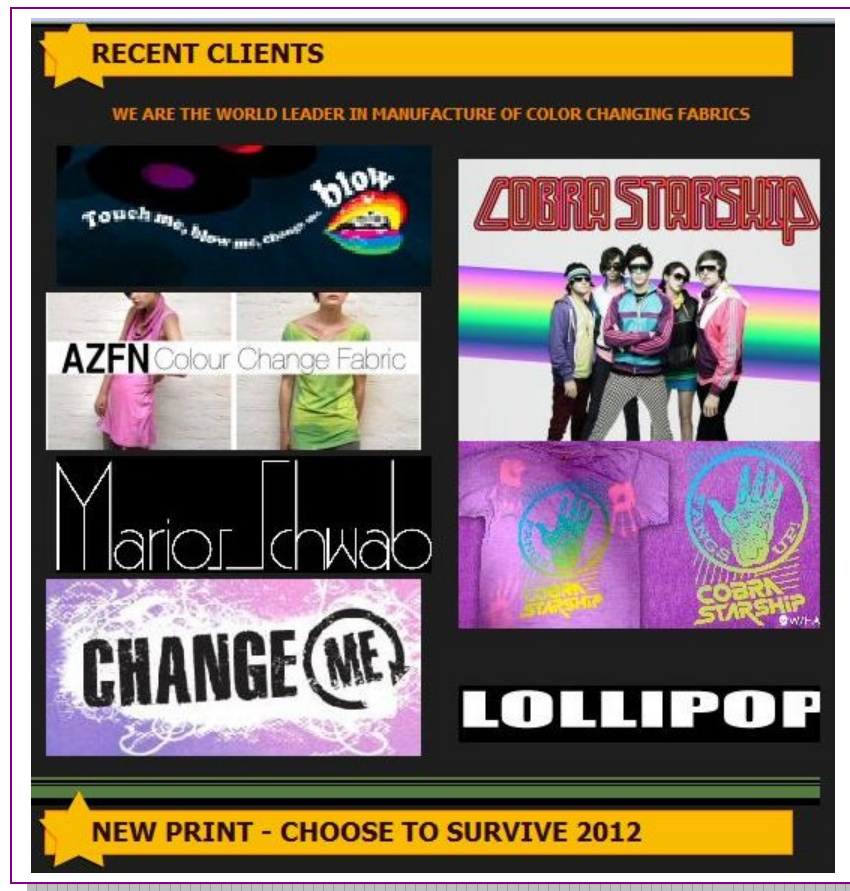
<sup>38</sup> Credit: Image courtesy of University of South Australia

<sup>39</sup> <http://www.technologyreview.com/Nanotech/20306/?a=f>

## Dynamic Colour Change Clothing <sup>(40)</sup>

There are a number of companies manufacturing and marketing clothing that changes colour in response to different triggers. The Dynamic range is one example of finished products that change colour in response to triggers such as touch, sunlight, and artificial lighting.

**Figure 33: A section of the Dynamic website showing several examples of branded lines made using colour change fabric technology**



### 3.4.11 Implementation Roadmap

An indicative road map for implementing the 'Toco Transitions' Best Bet investment proposition, the targets that are set, what will be needed to ensure that those targets are achieved, and who is involved in order to achieve a positive outcome, is shown in Table 9.

<sup>40</sup> <http://www.bodyfaders.com/?qclid=CKzi8ci97JQCfQ1TEAoduAU9gg>

**Table 9: Indicative roadmap for implementing the 'Toco Transitions' Best Bet investment opportunity**

<b>By when?</b>	<b>What?</b>	<b>Who?</b>
<b>1st 6 months</b>	<ul style="list-style-type: none"> <li>Stakeholders incorporate the 'Toco Transitions' company and appoint executive team.</li> <li>A business and marketing plan is developed, key supply alliances finalised and financing is in place.</li> <li>Prototype designs are developed and commercially tested.</li> <li>Website designed and online within 3 months.</li> <li>Market research carried out to identify market niches that need to be connected with.</li> <li>Key alliances are initiated with offshore R&amp;D, production and marketing stakeholders.</li> <li>Production of first 'Elite' and 'Funky' products commence.</li> <li>Sales capability fully functional by the end of the six month period with marketing partners and online.</li> </ul>	<ul style="list-style-type: none"> <li>Group of Entrepreneurs</li> <li>Board / Executive Team</li> <li>Designers / Marketers</li> <li>Web Design Company</li> <li>Web Market Researcher</li> <li>Executive Team / Alliance Partners</li> <li>Production Partner</li> <li>All parties</li> </ul>
<b>By end of year 1</b>	<ul style="list-style-type: none"> <li>5 high-end retail partners in key international cities have been signed up and are selling the 'Elite' product.</li> <li>'Funky' product sales initiated through specialist Internet retailers.</li> <li>50 'Elite' products have been produced and sold.</li> <li>200 'Funky' products have been produced and sold.</li> <li>Business plan and funding for Year 2 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Executive Team / Marketing Partners</li> <li>Executive Team / Online Retailers</li> <li>Marketing Partners</li> <li>Online Retailers</li> <li>Executive Team</li> </ul>
<b>By end of year 2</b>	<ul style="list-style-type: none"> <li>First year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>A further 8 high-end retail partners in key international cities have been signed up and are selling the 'Elite' product.</li> <li>Funky product sales leveraged further through specialist Internet retailers and the Toco website.</li> <li>100 'Elite' products have been produced and sold.</li> <li>10,000 'Funky' products have been produced and sold.</li> <li>Business plan and funding for Year 3 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Marketing Partners</li> <li>Executive Team / Online Retailers</li> <li>Marketing Partners</li> <li>Online Retailers / Toco</li> <li>Executive Team</li> </ul>
<b>By end of year 3</b>	<ul style="list-style-type: none"> <li>Second year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>A further 20 high-end retail partners in key international cities have been signed up and are selling the 'Elite' product.</li> <li>'Funky' product sales leveraged further through specialist Internet retailers and the Toco website.</li> <li>500 'Elite' products have been produced and sold.</li> <li>30,000 'Funky' products have been produced and sold.</li> <li>Business plan and funding for Year 4 in place.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Marketing Partners</li> <li>Executive Team / Online Retailers</li> <li>Marketing Partners</li> <li>Online Retailers / Toco</li> <li>Executive Team</li> </ul>
<b>By end of year 4</b>	<ul style="list-style-type: none"> <li>Third year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>A further 50 high-end retail partners in key international cities have been signed up and are selling the 'Elite' product.</li> <li>'Funky' product sales leveraged further through specialist Internet retailers and the Toco website.</li> </ul>	<ul style="list-style-type: none"> <li>Independent Auditor</li> <li>Executive Team / Marketing Partners</li> <li>Executive Team / Online Retailers</li> </ul>

	<ul style="list-style-type: none"> <li>• 1,000 'Elite' products have been produced and sold.</li> <li>• 80,000 'Funky' products have been produced and sold.</li> <li>• Business plan and funding for Year 5 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing Partners</li> <li>• Online Retailers / Toco</li> <li>• Executive Team</li> </ul>
<b>By end of year 5</b>	<ul style="list-style-type: none"> <li>• Fourth year's operations evaluated and lessons learned incorporated in the current year's plan – within 2 months of start of the year.</li> <li>• A further 100 high-end retail partners in key international cities have been signed up and are selling the 'Elite' product.</li> <li>• 'Funky' product sales leveraged further through specialist Internet retailers and the Toco website.</li> <li>• 5,000 'Elite' products have been produced and sold.</li> <li>• 150,000 'Funky' products have been produced and sold.</li> <li>• Business plan and funding for Year 6 in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Auditor</li> <li>• Executive Team / Marketing Partners</li> <li>• Executive Team / Online Retailers</li> <li>• Marketing Partners</li> <li>• Online Retailers / Toco</li> <li>• Executive Team</li> </ul>

### 3.4.12 Financial Scenario

The financial scenario shown in Table 10 is based upon some best guess estimates. It is not intended to be used as the basis for making firm investment decisions. The intent is that it provides a base case scenario that can be developed more fully as more information is gathered. The scenario has been developed using the following assumptions:

- That the business generates revenue from the sales of product in two price categories – an 'Elite' range that is highly customised and aimed at the top end of the market and a 'Funky' range that aims at upper income earners but in the broader more 'Yuppie' and 'Geek' market segments. The pricing levels are quite different with the 'Elite' range commanding US\$ 3,500 an item because of its sophistication and the 'Funky' range starting off at US\$ 500 an item but declining to US\$ 75 an item by Year 10 as more competition enters the market.
- The model assumes manufacturing is done in T&T but it can readily be transferred to an offshore contractor within the financial projections shown.
- It is an ambitious business model with the aim of capturing a monopoly niche market opportunity before other players enter the space and will require a totally dedicated team. **However, the Net-a-Porter business mentioned in the 'Examples of Offshore Players' section was generating revenues of over US\$ 100 million within just seven years of starting up.**

These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential scenario outcomes i.e. an outcome built around excellence. Full details can be found in the Appendix at the end of this report.

**Table 10: An indicative financial scenario for the 'Toco Transitions' Best Bet investment opportunity**

	In Year 3	In Year 6	In Year 10
Revenue from sales	US \$ 10,750,000	US\$ 66,250,000	US\$ 287,500,000
Basis of revenue figure	Sales of 500 'Elite' items with an average value of US\$ 3,500 each. Sales of 30,000 'Funky' items at an average US\$ 300 each.	Sales of 10,000 'Elite' items with an average value of US\$ 3,500 each. Sales of 250,000 'Funky' items at an average US\$ 125 each.	Sales of 50,000 'Elite' items with an average value of US\$ 3,500 each. Sales of 1,500,000 'Funky' items at an average US\$ 300 each.
Capital expenditure	US\$ 400,000	US\$ 150,000	US\$ 200,000
Operating expenditure	US\$ 9,061,250	US\$ 54,743,750	US\$ 236,812,500
Earnings before interest and tax (EBIT)	US\$ 1,688,750	US\$ 11,506,250	US\$ 50,687,500

- Incurred in the preceding time interval

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### 3.4.13 NEXT Star Rating



- T&T has an extensive pool of highly creative talent in the fashion and creative design field.
- Some of those designers have achieved international recognition and success in specialist niche market areas.
- One of the biggest challenges the country faces is a change of mindset that is required to transition from the traditional creative and fashion sector model that currently exists in T&T and move towards modern and attractive high value niche and Internet based models that will connect the country's creative design talent with the type of international customer and client market opportunity areas that will generate substantial revenues for T&T through the application of innovation and knowledge.
- The model required depends upon the formation of a number of strategic alliances in the R&D, manufacturing, design, real world retail and online retail areas.
- The need is for a lead entrepreneur to play a key role in the commercialisation of this Best Bet opportunity because, without that entrepreneurial spirit, there is little chance of it ever succeeding.
- The biggest risk to T&T is that offshore players will move faster than local entrepreneurs and take over the current global monopoly niche area that is waiting to be exploited in this technology-driven opportunity area.

## 4 What Comes Next?

There has been a group of enthusiastic and highly creative persons involved in developing the Best Bets in this sector foresight project over the past 10 months. The group included persons from the public, private, and R&D sectors. The level of enthusiasm and the quality of input from participants has been outstanding.

Undertaking this project has resulted in the following:

- Building up a network of people who have a passion for applying foresight and innovation in both the public and private sectors to the fashion sector with the purpose of identifying future opportunities that will advance T&T economically and socially.
- Identifying a range of capabilities and enablers that exist in the country but also demonstrating that there is a high degree of fragmentation and disconnection between various stakeholder groups that needs to be overcome.
- Identifying the need for a high level 'Champion' who can 'sell' the benefits of investing in this high growth opportunity area.
- Demonstrating that there is a great deal of potential locked up in the country's creative and design talent pool and the country's garment manufacturing sector that has considerable inherent value if a combination of science and technology alongside entrepreneurship and innovation could be facilitated.
- Demonstrating that old industries can be given a new lease of life if science, technology, and innovation are applied.
- Illustrating the fact that there is an urgent need to upgrade the knowledge factor when it comes to developing future business opportunities that operate out of T&T and generate high value and high margin returns to home-based businesses.

The challenge now is not only to see how many of these Advanced Fashion Sector Best Bet Investment Opportunity Cases can become a commercial reality but also for Trinidad and Tobago to develop a National Growth and Innovation Framework and Strategy to prioritise the allocation of limited resources into areas which have the potential to generate the best future returns for the country.

The development of such a framework will be essential if the foresighting approach is to take a hold and help stimulate the development of new entrepreneurial businesses that have medium to long-term high growth prospects and can deliver the outcomes the country desires.

Such a framework and strategy would align all the country's key agencies, stakeholders, and resources in one go-forward direction. Once this is achieved, then the country will make real progress towards achieving its goal of becoming a fully developed nation by the year 2020. The latest indications are that such an approach is closer to becoming a reality.

These Best Bets may appear to be ambitious but being ambitious is critical for the future success of a small nation with big aspirations - such as T&T. They are certainly not impossible - if the passion to succeed is truly there!

## 5 Appendix – Best Bet Financial Scenarios

BEST BET SECTOR: Fashion		BEST BET 1 : 'e-Suiting'											
		File date:		29/07/08									
		Last review:		29/07/08									
10 Year Financial Projection Model (US\$)													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>GOVT INVESTMENT</b>	<b>Description</b>												
S&T research	Design research	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000		
Education	Skilled people	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000		
Trade development	Market dev	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000		
Other													
<b>Total Govt investment</b>		<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>	<b>600000</b>		
<b>COMMERCIAL INVESTMENT</b>													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>REVENUE</b>	<b>Description</b>												
<b>Product/Service Line</b>	Custom products												
Volume	No of items	5000	25000	50000	100000	250000	400000	550000	700000	850000	1000000		
Value/unit	\$ per item (FOB)	250	250	250	250	250	250	250	250	250	250		
	Gross revenue	1250000	6250000	12500000	25000000	62500000	100000000	137500000	175000000	212500000	250000000		
	10% commission	125000	625000	1250000	2500000	6250000	10000000	13750000	17500000	21250000	25000000		
<b>Gross line revenue</b>		<b>1250000</b>	<b>6250000</b>	<b>12500000</b>	<b>25000000</b>	<b>62500000</b>	<b>100000000</b>	<b>137500000</b>	<b>175000000</b>	<b>212500000</b>	<b>250000000</b>		
<b>Total Revenue</b>		<b>1250000</b>	<b>6250000</b>	<b>12500000</b>	<b>25000000</b>	<b>62500000</b>	<b>100000000</b>	<b>137500000</b>	<b>175000000</b>	<b>212500000</b>	<b>250000000</b>		
<b>EXPENSES</b>													
<b>Capex (1)</b>	<b>Description</b>												
Item 1	Online portal	250000	25000	25000	25000	25000	25000	25000	25000	25000	25000		
Item 2	Other	50000											
<b>Total Capex</b>		<b>300000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>		
<b>Opex (2)</b>	<b>Description</b>												
Raw materials		0	0	0	0	0	0	0	0	0	0		
Packaging		0	0	0	0	0	0	0	0	0	0		
Salary and wages	Portal staff (3)	250000	350000	450000	500000	550000	600000	650000	700000	750000	800000		
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0		
Marketing	30% of revenue (4)	375000	1875000	3750000	7500000	18750000	30000000	41250000	52500000	63750000	75000000		
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0		
Travel	10% of rev	125000	625000	1250000	2500000	6250000	10000000	13750000	17500000	21250000	25000000		
Communications	2% of revenue	25000	125000	250000	500000	1250000	2000000	2750000	3500000	4250000	5000000		
E-commerce	10% of revenue	125000	625000	1250000	2500000	6250000	10000000	13750000	17500000	21250000	25000000		
Rental	Offices etc	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000		
Consumables	2% of rev	50000	70000	90000	100000	110000	120000	130000	140000	150000	160000		
Administration	5% of rev	125000	175000	225000	250000	275000	300000	325000	350000	375000	400000		
Other													
<b>Total Opex</b>		<b>382500</b>	<b>749500</b>	<b>1181500</b>	<b>1885000</b>	<b>3888500</b>	<b>5892000</b>	<b>7895500</b>	<b>9899000</b>	<b>11902500</b>	<b>13906000</b>		
<b>EBIT (5)</b>		<b>-257500</b>	<b>-124500</b>	<b>68500</b>	<b>615000</b>	<b>2361500</b>	<b>4108000</b>	<b>5854500</b>	<b>7601000</b>	<b>9347500</b>	<b>11094000</b>		
<b>EBIT - Capital</b>		<b>-557500</b>	<b>-149500</b>	<b>43500</b>	<b>590000</b>	<b>2336500</b>	<b>4083000</b>	<b>5829500</b>	<b>7576000</b>	<b>9322500</b>	<b>11069000</b>		
<b>EBIT - Capital - Govt</b>		<b>-1157500</b>	<b>-749500</b>	<b>-556500</b>	<b>-10000</b>	<b>1736500</b>	<b>3483000</b>	<b>5229500</b>	<b>6976000</b>	<b>8722500</b>	<b>10469000</b>		
NOTES:													
1 Capex = capital expenditure													
2 Opex = operating expenditure													
3 Staff required to run and manage the portal and links with designers and manufacturers													
4 Marketing of the portal with a particular emphasis on linking into communities of interest - not spending on traditional advertising and promotion													
5 EBIT = earnings before interest and tax													



BEST BET SECTOR: Fashion		BEST BET 2 : 'POS International Fashion Centre'											
		File date:		30/07/08									
		Last review:		01/08/08									
10 Year Financial Projection Model (US\$)													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>GOVT INVESTMENT</b>	<b>Description</b>												
S&T research	Design research	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000	1000000		
Infrastructure	Servicing the IFC	10000000	5000000	3000000	2000000	1000000	1000000	1000000	1000000	1000000	1000000		
Trade development	Market dev	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000		
Other													
<b>Total Govt investment</b>		<b>11100000</b>	<b>6100000</b>	<b>4100000</b>	<b>3100000</b>	<b>2100000</b>	<b>2100000</b>	<b>2100000</b>	<b>2100000</b>	<b>2100000</b>	<b>2100000</b>		
<b>COMMERCIAL INVESTMENT</b>													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>REVENUE</b>	<b>Description</b>												
<b>Product/Service Line 1</b>	Property mgt fees												
Volume	No of units	10	50	100	150	200	250	300	350	400	450		
Value/unit	\$ per item (FOB)	12000	12000	12000	12000	12000	12000	12000	12000	12000	12000		
<b>Gross line revenue</b>		<b>120000</b>	<b>600000</b>	<b>1200000</b>	<b>1800000</b>	<b>2400000</b>	<b>3000000</b>	<b>3600000</b>	<b>4200000</b>	<b>4800000</b>	<b>5400000</b>		
<b>Product/Service Line 2</b>	Annual levies												
Volume	No of payers	200	250	300	350	400	450	500	550	600	650		
Value/unit	Annual fee	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000		
<b>Gross line revenue</b>		<b>200000</b>	<b>250000</b>	<b>300000</b>	<b>350000</b>	<b>400000</b>	<b>450000</b>	<b>500000</b>	<b>550000</b>	<b>600000</b>	<b>650000</b>		
<b>Product/Service Line</b>	Sales commissions												
Volume	No of items	5000	25000	50000	100000	250000	400000	550000	700000	850000	1000000		
Value/unit	\$ per item (FOB)	100	100	100	100	100	100	100	100	100	100		
	Gross revenue	500000	2500000	5000000	10000000	25000000	40000000	55000000	70000000	85000000	100000000		
	5% commission	25000	125000	250000	500000	1250000	2000000	2750000	3500000	4250000	5000000		
<b>Gross line revenue</b>		<b>25000</b>	<b>125000</b>	<b>250000</b>	<b>500000</b>	<b>1250000</b>	<b>2000000</b>	<b>2750000</b>	<b>3500000</b>	<b>4250000</b>	<b>5000000</b>		
<b>Product/Service Line</b>	Online commissions												
Volume	No of items	5000	25000	50000	100000	250000	400000	550000	700000	850000	1000000		
Value/unit	\$ per item (FOB)	250	250	250	250	250	250	250	250	250	250		
	Gross revenue	1250000	6250000	12500000	25000000	62500000	100000000	137500000	175000000	212500000	250000000		
	5% commission	62500	312500	625000	1250000	3125000	5000000	6875000	8750000	10625000	12500000		
<b>Gross line revenue</b>		<b>62500</b>	<b>312500</b>	<b>625000</b>	<b>1250000</b>	<b>3125000</b>	<b>5000000</b>	<b>6875000</b>	<b>8750000</b>	<b>10625000</b>	<b>12500000</b>		
<b>Total Revenue</b>		<b>407500</b>	<b>1287500</b>	<b>2375000</b>	<b>3900000</b>	<b>7175000</b>	<b>10450000</b>	<b>13725000</b>	<b>17000000</b>	<b>20275000</b>	<b>23550000</b>		
<b>EXPENSES</b>													
<b>Capex (1)</b>	<b>Description</b>												
Item 1	Online portal	250000	25000	25000	25000	25000	25000	25000	25000	25000	25000		
Item 2	Other	50000											
<b>Total Capex</b>		<b>300000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>		
<b>Opex (2)</b>	<b>Description</b>												
Raw materials		0	0	0	0	0	0	0	0	0	0		
Packaging		0	0	0	0	0	0	0	0	0	0		
Salary and wages	Staff (3)	300000	400000	500000	600000	700000	800000	900000	1000000	1100000	1200000		
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0		
Marketing	30% of revenue (4)	122250	386250	712500	1170000	2152500	3135000	4117500	5100000	6082500	7065000		
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0		
Travel	10% of rev	40750	128750	237500	390000	717500	1045000	1372500	1700000	2027500	2355000		
Communications	2% of revenue	8150	25750	47500	78000	143500	209000	274500	340000	405500	471000		
E-commerce	10% of revenue	40750	128750	237500	390000	717500	1045000	1372500	1700000	2027500	2355000		
Rental	Offices etc	50000	75000	100000	125000	150000	175000	200000	225000	250000	300000		
Consumables	PC sum	6000	8000	10000	12000	14000	16000	18000	20000	22000	24000		
Administration	PC sum	20375	20000	25000	30000	35000	40000	45000	50000	55000	60000		
Other													
<b>Total Opex</b>		<b>588275</b>	<b>1172500</b>	<b>1870000</b>	<b>2795000</b>	<b>4630000</b>	<b>6465000</b>	<b>8300000</b>	<b>10135000</b>	<b>11970000</b>	<b>13830000</b>		
<b>EBIT (5)</b>		<b>-180775</b>	<b>115000</b>	<b>505000</b>	<b>1105000</b>	<b>2545000</b>	<b>3985000</b>	<b>5425000</b>	<b>6865000</b>	<b>8305000</b>	<b>9720000</b>		
<b>EBIT - Capital</b>		<b>-480775</b>	<b>90000</b>	<b>480000</b>	<b>1080000</b>	<b>2520000</b>	<b>3960000</b>	<b>5400000</b>	<b>6840000</b>	<b>8280000</b>	<b>9695000</b>		
<b>EBIT - Capital - Govt</b>		<b>-11580775</b>	<b>-6010000</b>	<b>-3620000</b>	<b>-2020000</b>	<b>420000</b>	<b>1860000</b>	<b>3300000</b>	<b>4740000</b>	<b>6180000</b>	<b>7595000</b>		
NOTES:													
		1 Capex = capital expenditure											
		2 Opex = operating expenditure											
		3 Staff required to run and manage the IFC Management company											
		4 Marketing with a particular emphasis on linking into communities of interest - not spending on traditional advertising and promotion											
		5 EBIT = earnings before interest and tax											

BEST BET SECTOR: Fashion		BEST BET 3 : 'Caribbean Creative Portal'											
		File date:		31/07/08									
		Last review:		01/08/08									
10 Year Financial Projection Model (US\$)													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>GOVT INVESTMENT</b>	<b>Description</b>												
S&T research	Design research	500000	500000	500000	500000	500000	500000	500000	500000	500000	500000		
Infrastructure	Servicing the portal	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000		
Trade development	Market dev	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000		
Other													
<b>Total Govt investment</b>		<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>		
<b>COMMERCIAL INVESTMENT</b>													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>REVENUE</b>	<b>Description</b>												
<b>Product/Service Line 1</b>	Client registration fees												
Volume	No of clients	2	4	6	8	12	16	20	25	30	40		
Value/unit	Annual fee cost	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000		
<b>Gross line revenue</b>		<b>200000</b>	<b>400000</b>	<b>600000</b>	<b>800000</b>	<b>1200000</b>	<b>1600000</b>	<b>2000000</b>	<b>2500000</b>	<b>3000000</b>	<b>4000000</b>		
<b>Product/Service Line 2</b>	One off design fees												
Volume	No of customers	200	500	1000	2000	5000	10000	20000	50000	80000	120000		
Value/unit	Fee charge	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000		
	Gross revenue	200000	500000	1000000	2000000	5000000	10000000	20000000	50000000	80000000	120000000		
	5% commission	10000	25000	50000	100000	250000	500000	1000000	2500000	4000000	6000000		
<b>Gross line revenue</b>		<b>10000</b>	<b>25000</b>	<b>50000</b>	<b>100000</b>	<b>250000</b>	<b>500000</b>	<b>1000000</b>	<b>2500000</b>	<b>4000000</b>	<b>6000000</b>		
<b>Product/Service Line</b>	Design use royalties												
Volume	No of items	5000	25000	50000	100000	250000	400000	550000	700000	850000	1000000		
Value/unit	Royalty fee \$	5	5	5	5	5	5	5	5	5	5		
	Gross revenue	25000	125000	250000	500000	1250000	2000000	2750000	3500000	4250000	5000000		
	5% commission	1250	6250	12500	25000	62500	100000	137500	175000	212500	250000		
<b>Gross line revenue</b>		<b>1250</b>	<b>6250</b>	<b>12500</b>	<b>25000</b>	<b>62500</b>	<b>100000</b>	<b>137500</b>	<b>175000</b>	<b>212500</b>	<b>250000</b>		
<b>Product/Service Line</b>	Educational services												
Volume	No of courses sold	250	1000	10000	30000	70000	120000	200000	300000	400000	500000		
Value/unit	Course fee	750	750	750	750	750	750	750	750	750	750		
	Gross revenue	187500	750000	7500000	22500000	52500000	90000000	150000000	225000000	300000000	375000000		
	5% commission	9375	37500	375000	1125000	2625000	4500000	7500000	11250000	15000000	18750000		
<b>Gross line revenue</b>		<b>9375</b>	<b>37500</b>	<b>375000</b>	<b>1125000</b>	<b>2625000</b>	<b>4500000</b>	<b>7500000</b>	<b>11250000</b>	<b>15000000</b>	<b>18750000</b>		
<b>Total Revenue</b>		<b>220625</b>	<b>468750</b>	<b>1037500</b>	<b>2050000</b>	<b>4137500</b>	<b>6700000</b>	<b>10637500</b>	<b>16425000</b>	<b>22212500</b>	<b>29000000</b>		
<b>EXPENSES</b>													
<b>Capex (1)</b>	<b>Description</b>												
Item 1	Online portal	350000	40000	40000	40000	40000	40000	40000	40000	40000	40000		
Item 2	Other	75000											
<b>Total Capex</b>		<b>425000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>	<b>40000</b>		
<b>Opex (2)</b>	<b>Description</b>												
Raw materials		0	0	0	0	0	0	0	0	0	0		
Packaging		0	0	0	0	0	0	0	0	0	0		
Salary and wages	Staff (3)	300000	400000	500000	600000	700000	800000	900000	1000000	1100000	1200000		
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0		
Marketing	20% of revenue (4)	200000	300000	207500	410000	827500	1340000	2127500	3285000	4442500	5800000		
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0		
Travel	10% of rev	22063	46875	103750	205000	413750	670000	1063750	1642500	2221250	2900000		
Communications	5% of revenue	11031	23438	51875	102500	206875	335000	531875	821250	1110625	1450000		
E-commerce	10% of revenue	22063	46875	103750	205000	413750	670000	1063750	1642500	2221250	2900000		
Rental	Offices etc	50000	75000	100000	125000	150000	175000	200000	225000	250000	300000		
Consumables	2% of revenue	4413	9375	20750	41000	82750	134000	212750	328500	444250	580000		
Administration	2% of revenue	4413	9375	20750	41000	82750	134000	212750	328500	444250	580000		
Other													
<b>Total Opex</b>		<b>613981</b>	<b>910938</b>	<b>1108375</b>	<b>1729500</b>	<b>2877375</b>	<b>4258000</b>	<b>6312375</b>	<b>9273250</b>	<b>12234125</b>	<b>15710000</b>		
<b>EBIT (5)</b>		<b>-393356</b>	<b>-442188</b>	<b>-70875</b>	<b>320500</b>	<b>1260125</b>	<b>2442000</b>	<b>4325125</b>	<b>7151750</b>	<b>9978375</b>	<b>13290000</b>		
<b>EBIT - Capital</b>		<b>-818356</b>	<b>-482188</b>	<b>-110875</b>	<b>280500</b>	<b>1220125</b>	<b>2402000</b>	<b>4285125</b>	<b>7111750</b>	<b>9938375</b>	<b>13250000</b>		
<b>EBIT - Capital - Govt</b>		<b>-1818356</b>	<b>-1482188</b>	<b>-1110875</b>	<b>-719500</b>	<b>220125</b>	<b>1402000</b>	<b>3285125</b>	<b>6111750</b>	<b>8938375</b>	<b>12250000</b>		
NOTES:													
1 Capex = capital expenditure													
2 Opex = operating expenditure													
3 Staff required to run and manage the IFC Management company													
4 Marketing with a particular emphasis on linking into communities of interest - not spending on traditional advertising and promotion													
5 EBIT = earnings before interest and tax													

BEST BET SECTOR: Fashion		BEST BET 4 : 'Toco Transitions'									
		File date:		01/08/08							
		Last review:		01/08/08							
10 Year Financial Projection Model (US\$)											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>GOVT INVESTMENT</b>	<b>Description</b>										
S&T research	Design research	500000	500000	500000	500000	500000	500000	500000	500000	500000	500000
Training and education	Servicing the IFC	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Trade development	Market dev	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
Other											
<b>Total Govt investment</b>		<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>	<b>850000</b>
<b>COMMERCIAL INVESTMENT</b>		<b>YEAR</b>									
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>REVENUE</b>	<b>Description</b>										
<b>Product/Service Line 1</b>	Toco Transition Elite										
Volume	No of apparel items	50	100	500	1000	5000	10000	20000	30000	40000	50000
Value/unit	\$ per item (FOB)	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500
<b>Gross line revenue</b>		<b>1750000</b>	<b>350000</b>	<b>1750000</b>	<b>3500000</b>	<b>17500000</b>	<b>35000000</b>	<b>70000000</b>	<b>105000000</b>	<b>140000000</b>	<b>175000000</b>
<b>Product/Service Line 2</b>	Toco Transition Funky										
Volume	No of apparel items	200	10000	30000	80000	150000	250000	500000	750000	1000000	1500000
Value/unit	\$ per item (FOB)	500	400	300	200	150	125	100	90	80	75
<b>Gross line revenue</b>		<b>100000</b>	<b>4000000</b>	<b>9000000</b>	<b>16000000</b>	<b>22500000</b>	<b>31250000</b>	<b>50000000</b>	<b>67500000</b>	<b>80000000</b>	<b>112500000</b>
<b>Total Revenue</b>		<b>275000</b>	<b>4350000</b>	<b>10750000</b>	<b>19500000</b>	<b>40000000</b>	<b>66250000</b>	<b>120000000</b>	<b>172500000</b>	<b>220000000</b>	<b>287500000</b>
<b>EXPENSES</b>											
<b>Capex (1)</b>	<b>Description</b>										
Item 1	Online portal	50000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Item 2	Equipment	250000	25000	25000	25000	25000	25000	25000	25000	25000	25000
<b>Total Capex</b>		<b>300000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>
<b>Opex (2)</b>	<b>Description</b>										
Material and royalty costs	25% of gross rev.	68750	1087500	2687500	4875000	10000000	16562500	30000000	43125000	55000000	71875000
Packaging	2.5% of gross revenue	6875	108750	268750	487500	1000000	1656250	3000000	4312500	5500000	7187500
Salary and wages	Staff - 30% of gross	400000	1200000	3225000	5850000	12000000	19875000	36000000	51750000	66000000	86250000
Freight	FOB price	0	0	0	0	0	0	0	0	0	0
Marketing	10% of revenue (3)	27500	435000	1075000	1950000	4000000	6625000	12000000	17250000	22000000	28750000
Distribution	FOB price	0	0	0	0	0	0	0	0	0	0
Travel	4% of gross rev.	60000	174000	430000	780000	1600000	2650000	4800000	6900000	8800000	11500000
Communications	2% of revenue	5500	87000	215000	390000	800000	1325000	2400000	3450000	4400000	5750000
E-commerce	4% of revenue	11000	174000	430000	780000	1600000	2650000	4800000	6900000	8800000	11500000
Rental	Premises etc	200000	250000	300000	350000	500000	750000	1000000	1500000	2000000	2500000
Consumables	2% of gross rev.	5500	87000	215000	390000	800000	1325000	2400000	3450000	4400000	5750000
Administration	2% of gross rev.	5500	87000	215000	390000	800000	1325000	2400000	3450000	4400000	5750000
Other											
<b>Total Opex</b>		<b>790625</b>	<b>3690250</b>	<b>9061250</b>	<b>16242500</b>	<b>33100000</b>	<b>54743750</b>	<b>98800000</b>	<b>142087500</b>	<b>181300000</b>	<b>236812500</b>
<b>EBIT (4)</b>		<b>-515625</b>	<b>659750</b>	<b>1688750</b>	<b>3257500</b>	<b>6900000</b>	<b>11506250</b>	<b>21200000</b>	<b>30412500</b>	<b>38700000</b>	<b>50687500</b>
<b>EBIT - Capital</b>		<b>-815625</b>	<b>609750</b>	<b>1638750</b>	<b>3207500</b>	<b>6850000</b>	<b>11456250</b>	<b>21150000</b>	<b>30362500</b>	<b>38650000</b>	<b>50637500</b>
<b>EBIT - Capital - Govt</b>		<b>-1665625</b>	<b>-240250</b>	<b>788750</b>	<b>2357500</b>	<b>6000000</b>	<b>10606250</b>	<b>20300000</b>	<b>29512500</b>	<b>37800000</b>	<b>49787500</b>
NOTES:											
1 Capex = capital expenditure											
2 Opex = operating expenditure											
3 Marketing with a particular emphasis on linking into communities of interest - not spending on traditional advertising and promotion											
4 EBIT = earnings before interest and tax											