

Business plan sample



**ASSIGN
BUSTER**

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- Menu Planning Conclusion

Recently there has been an intensified awareness of baked products in the market. This has been done with the aim of ensuring healthy living and a healthy population hence a reduced expenditure on health care. Bread, specifically whole grains carry a lot of nutritious qualities with a significant amount of carbohydrates and fiber content. For this reason, the business plan focuses on bakery which will be operated by a family, with two generations of women involved in the production. The family is expected to utilize their land as the bakery site whereby the business will first make assorted white and whole wheat buns, cookies, and tarts.

The primary purpose of this business plan is to create a plan that if applied can help in the management and success of any small scale bakery in any area. Products produced will involve bread, buns, cookies and tarts which will be sold on site to the consumers visiting the bakery. Moreover, products can also be distributed to close markets at the start then later to further towns when the business picks.

1.0 Operations Plan Sample

The business will use a basic organization structure with the manager as the head of all operations, one assisting Baker and possibly two delivery people who will also work in the bakery in the production process. The owner will function as the manager and will monitor all the operations to ensure profitability and a gradual increase of their market share.

Operations will begin by making bakery products like whole wheat, tarts, muffins, and cookies. These products are easier to make, package and distribute to the consumers within the stipulated time. Furthermore, there are a variety of licenses and regulations that must abide with before any operation starts at the venture. A business license is a mandatory document which any business must acquire to operate within a different jurisdiction (Abrams, 2003). This will be followed by an intensive inspection by a health practitioner to ensure that the bakery abides by the set health and safety measures then provide a license in line with that. At least one employee will be trained on safe food handling as one of the ways of ensuring the safety of entire consumers.

1. 1 The Capital Budget Sample

The table below indicate the main requirements required to start and manage the bakery business effectively.

| | Estimated Cost (\$) |
|--------------------------|---------------------|
| Construction: | |
| Bakery House | \$ 50, 000 |
| Total Construction Costs | \$ 50, 000 |
| Materials Required: | |
| Oven | \$ 1, 400 |
| Proofer | \$ 1, 000 |

| | |
|-------------------------|-----------|
| Showcase | \$ 500 |
| Refrigerator | \$ 1, 800 |
| Freezer | \$1, 000 |
| Mixers | \$ 4, 500 |
| Shelves | \$ 600 |
| Other materials | \$3, 000 |
| Furniture | \$ 1, 000 |
| Total Material Costs | \$14, 800 |
| Initial Working Capital | \$2, 200 |
| Capital Needed | \$67, 000 |

Bakery administration, marketing costs, and general expenses

Other expenses incurred in a business other than that of the capital budget will be categorized under administrative, marketing and overhead costs (Blackwell, 2011). These will include management, accounting, and interest on the long-term debt. Driver's salary and the owner's salary will be categorized under the administrative expense. The total marketing expense for the first quarter of the year will be \$5, 500. This will be done through newspapers, business cards, and through road shows. Additionally, there will be an annual maintenance expense which is expected to cost about \$20, 000.

1. 2 The Human Resources Plan Sample

Job Specifications

Manager-

Must have significant business skills in order to choose the right business member and design a work schedule

Must have a reputable organization, technical and communication skills

Will provide directions to ensure daily productions are met and quality standards achieved

Salary for the position is \$15, 000 in a year

Head Baker

Knowledge in pastry with an ability to produce premium products

Ability to abide by the set standard procedures in all the bakery operations

Salary for the position is \$12, 000 in a year

Assistant Baker

He/she will take orders from customers and deliver as per their specification

Ability to abide by the set standard procedures in all the bakery operations

Knowledge in pastry with an ability to produce premium products

Basic janitorial skills are essential for the job

Salary for the position is \$11, 000 in a year

Delivery Person

Driving license with a reputable record

Excellent written and oral communication skills

Salary for the position is time rate based on \$7. 50/hour

The business will start with six workers, but this is expected to increase in case of the product orders increase. Moreover, there are no plans to delete any position in the organization.

1. 3 Marketing Plan Sample

The bakery is expected to market the product to close centers and the bakery itself. The centers pose to be the best way of reaching the target market and sell the number of goods in order to realize the set financial goals.

Marketing Mix (4Ps)

Products

Products include unsliced and sliced bread, dinner rolls, buns, muffins, tarts, and cookies.

Price

Prices will be premium since the products are fresh and of high quality and taste as compared to the competing companies. Prices will be higher but competitive with other brands.

Promotion

Promotion strategy will aim at showcasing the bakery as a producer of fresh, and quality goods. On their package, the picture of bread in an old-fashioned oven will be printed.

Place

Products are expected to be sold at the bakery while others delivered by the bakery van to the nearby centers.

Market segmentation, targeting, and positioning

Segmentation

The business will sell the products through a variety of distribution channels whereby each channel is expected to attract a different niche of consumers. Based on the geographical area of distribution channels, the market can be segmented into a population of school going consumers, rural consumers and corporate consumers who will buy from the bakery of supplied to the offices.

Targeting

The entire market will be targeted separately based on how they are segmented. The school marketing children will be targeted through back to

school offers which will be advertised when they go to schools after holidays. Corporate consumers will be targeted by ensuring there is an efficient distribution of products to the supermarkets and retail shops in all the centers.

Positioning

Positioning is expected to be divided by channel of distribution and specific locations the product will be sold in. In all the supermarkets, the bakery will sell their specialty bread and buns at moderately lower prices. Sales are expected to increase as the reputation and the familiarity of the patrons to the products increases. These products will be sold as health baking products and at premium prices and of high quality.

1. 4 Financial Plan Sample

Pre-Operational Cost

This includes costs that will be incurred before the commencement of the business.

| Description | Costs |
|-----------------------|----------|
| Production facilities | \$9, 400 |
| Feasibility study | \$400 |
| Water installation | \$3, 000 |

| | |
|--------------------------|---------------|
| Telephone connection | \$1000 |
| Electricity installation | \$1000 |
| Total | \$72, 400. 00 |

Working Capital Estimation (First quarter)

| Description | January | February | March | April |
|----------------------|-----------|----------|-----------|-----------|
| Stocks of consumable | \$2, 500 | \$3, 500 | \$4, 000 | \$4, 500 |
| Cash at bank | \$18, 000 | \$4, 000 | \$4, 300 | \$4, 000 |
| Cash in hand | \$600 | \$700 | \$1800 | \$2500 |
| Total | \$21, 100 | \$8, 200 | \$10, 100 | \$11, 000 |

Pro-Forma Income Statement (First quarter)

| Description | January | February | March | April |
|--------------------|------------|------------|------------|------------|
| Turn over | \$335, 450 | \$554, 050 | \$339, 000 | \$605, 000 |
| Less cost of sales | \$14, 954 | \$10, 500 | \$16, 500 | \$20, 500 |
| Gross profit | \$320, 496 | \$543, 550 | \$322, 500 | \$584, 500 |
| Expenses | - | - | - | - |

| | | | | |
|---------------------------|------------|------------|------------|-----------|
| Salary and wages | \$8, 328 | \$8, 328 | \$8, 348 | \$8, 560 |
| Advertising | \$360 | \$400 | \$300 | \$200 |
| Water and bills | \$180 | \$200 | \$300 | \$200 |
| Donations | \$6, 000 | \$1, 000 | \$1, 000 | \$1, 000 |
| Repair and maintenance | \$2, 800 | \$2, 000 | \$1, 800 | \$1, 500 |
| Transport | \$3, 600 | \$4, 000 | \$7, 000 | \$5, 000 |
| Purchases | \$25, 900 | \$25, 000 | \$28, 000 | \$25, 000 |
| Total | \$47, 168 | \$40, 928 | \$46, 748 | \$41, 460 |
| Net profit | \$273, 328 | \$502, 622 | \$275, 752 | |