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ASSIGNMENT: A BUSINESS PLAN FOR THE DEVELOPMENT OF A CUPCAKE STORE, NAMED BRINA'S CUPCAKE HAVEN AT PLOT 287, IKENEGBU ROAD, IKENEGBU, OWERRI, IMO STATE BY BRINA CYRIL JIDENDU, CEO OF BRINA'S CUPCAKE HAVEN LIMITED.

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CHAPTER ONE

Executive Summary and Brief Description of the Venture

Executive Summary

This business Plan analyses the feasibility of developing a Cupcake bakery in Imo State, Nigeria by Brina's Cupcake Haven, a company registered under the Corporate Affairs Commission (CAC) in Nigeria. It contains our goals, the methods on how our goals can be attained, and the time frame within which our goals need to be achieved. This business aims to capture a loyal and dedicated fan base with our exciting cupcake flavors and tastes. Considering the fact that cupcakes are in high demand, the business is sure to be profitable. It is also reasonable, achievable and can easily be executed with the right and skilled expertise. Tapping into this business opportunity though innovative, requires a lot of commitment both financial and labour wise. It will require the relentless effort of the team referred to as the baking crew at Brina's Cupcake Haven and that is a quality abundant in our baking crew. Our mission is to offer hygienically prepared, high-quality, nutritious and scrumptious cupcakes at a competitive price in order to meet the demand of our target market. Similarly, our end goal is to become the foremost provider of the tastiest cupcake servings in the state and to expand our business to more states in the country.

Brief Description of the Venture

As stated in the executive summary, the company is named Brina's Cupcake Haven, established to produce deliciously baked cupcakes ranging from different exciting flavors to extraordinary flavors. It will be located at plot 287 Ikenegbu Road, Ikenegbu Layout Owerri, Imo State and is relatively a small scale business (although there are branches in other states of the country) owned by Sabrina Cyril-Jidendu. Brina's Cupcake Haven is poised to bake cupcakes in dozens with different colors, flavors and decorations, we are especially skilled in piping buttercream icing elegantly and creating mouth-watering cupcakes that leave you begging for more. The target market for our cupcakes includes Residents within the vicinity of our operations, Schools and Centers of learning, Hotels and Resorts and Recreational Facilities. Finally, one unique feature we possess is that some of our cupcakes have a special surprise inside while some are made with a special surprise.

CHAPTER TWO

Industry and Market Analysis

Industry Analysis

Cupcake is a niche market in the baking and culinary industry which thrives on creativity, it isn't very common in Nigeria except in tourists states like Lagos, Abuja, Port-Harcourt; Rivers state, Calabar; Cross River state, etc. And that is why Brina's Cupcake Haven is usually situated in states where the business isn't common and is looking to expand the business to Imo state Nigeria. Considering the fact that we make tasty treats and will have an open space where customers can relax and unwind, we are sure to dominant every competition and become the foremost provider of the tastiest cupcake servings in a variety of tastes and menus, in Imo state. With the rising demand for sweet treats and freshly baked cupcakes in the sector and few places offering these treats, Brina's Cupcake Haven is sure to outsmart others and dominant the market.

Market Analysis

There has been a steady rise in the consumption of confectionaries and this demand has risen exponentially when it comes to the intake of Cupcakes. This is as a result of a number of reasons surrounding this trend in the Cupcake market. It is a common trend in the bakery and confectionery industry to find bakers trying to outsmart one another and that is why those in the cupcake industry are known to be very creative and there are wide varieties, flavors, designs, themes and packaging associated with baking Cupcakes, all of which is to appeal to their target markets. Similarly, the fact that a good serving of cupcake goes for an affordable price has attracted the market to it. The fact that such goodness can come at a competitive price is why there is increased patronage. Brina's Cupcake Haven aims to take full advantage of these trends, assume the role of market leaders in Owerri and satisfy our target market.

Our target market is not restricted to a group of people, but to all those who love cupcakes and want to try something new and exciting. They include; Event and wedding planners, international and local tourists, residents around the vicinity, churches and religious centers, recreational centers, corporate organizations, children and anyone interested in having delicious cupcakes as well as interested in having a good time with friends or family.

CHAPTER THREE

Sales and Marketing Plan

The demand for sweet treats and confectionaries such as cupcakes in Owerri cannot be met by the number of bakeries and shops that bake and sell cupcakes; therefore we would use social media platforms and billboards around the state, to advertise our products. We would be open to making deliveries and will adopt delivery efficiency and hygienic operation to dominant the cupcake market. Similarly we would enter the market with competitive pricing and exhibit good service relationship with our customers.

Considering the ingredients used to make cupcakes which include butter, sugar, flour, eggs, milk, flavorings, and the special ingredients added for our surprise flavors which include but not limited to; alcohol, skittles, M&M chocolates, our price for a cupcake would be going for ₦500-₦700 depending on the flavor and a box of 12 for ₦6,000. In order to boost our sales, alongside the cupcakes we will also be selling smoothies, healthy shakes, fruit juices, carbonated drinks and water.

Our payment policy is all inclusive because we are quite aware that different people prefer different payment options as it suits them. The payment options that will be available in our outlet include; Payment by cash, Payment via Point of Sale (POS) Machine and Payment via online bank transfer (online payment portal).

Competitive Analysis

Although there are a few companies that are in the cupcake business in Owerri, most of them are in-house bakeries and this gives us a competitive advantage. Some of these bakeries include Rumsfield Cakes, Merjcakes, T&T cakes, Sonic restaurant, grocery stores like Market Square, Everyday supermarket, and our biggest competitors Cakes by Anuli. However, we have sized up the competition and are confident that our wide variety of flavors, quality & taste of the cupcakes, location and means of operation is enough to beat the competition. Similarly, our expertise in running this business is another advantage and the fact that customers can come to our shop to relax, spend time with family and friends, leisure outings mostly for teenagers and youth as we don't operate an in house bakery but a storefront bakery.

CHAPTER FOUR

Production and Operating Plan

Brina's Cupcake Haven is projected to be located at Plot 287, Ikenegbu Road, Ikenegbu, Owerri which is opposite an Ice cream store named Icy Groove Creamy. What better way to enjoy cupcakes than to pair it with Ice cream or any beverage available at our shop. The vicinity is serene and safe, the roads easily accessible and free from traffic congestion, all of which are advantages to our business. The facilities required for the production of our cupcakes and execution of our business include Baking ingredients, Ovens, Juice Extractor and Maker, Smoothie Maker or Blender, Refrigerators, Freezers, Display cases, Cupcake Racks and Shelves, Register, Specific and Fancy Tables and Chairs. Our business requires dedicated and hardworking Employees who are cable of handling customers properly and politely, making them feel special and meeting all their needs. This is why our Management Team is top-notch.

Production/Operating Cycle: Production of our freshly baked cupcakes is projected to start as soon as our storefront is completed and habitable. Raw ingredients will be ordered for at least twice a month delivery from Cyril-Jidendu Farms, our proud sponsor. We will bake 20 dozen cupcakes every 3 days and our cupcakes stay fresh for 5 days. All our cupcakes will be made in the store and not somewhere else to ensure that they are freshly baked with the freshest and finest ingredients, the cupcakes are in a temperature controlled environment and each cupcake is checked before it is sold. Ingredients are expected to be prepared a day before baking, and baking of the cupcakes is expected to be done as early as 7:00 am with piping and decorating to be done immediately after that and concluded by 10:00 am. This is to ensure that there are freshly baked cupcakes every 3 days. The same timing applies for the making and cooling/Chilling of our beverages. The store is will open at 9:00 am and close at 7:00 pm weekdays and Saturdays from 10:00 am-5:00pm (Note: we don't open on Sundays).

In conclusion, our Cupcake Flavors include; Rainbow Cupcake, Banana Rum, Raspberry Fudge, Rose Petal, Booze Cruise Surprise, Skittles Surprise, M&M's, Splash of Bailey, Butterscotch, an unnamed special flavor and old timers like Red Velvet, Vanilla, Strawberry and Plain Old Chocolate. Our beverages include Fresh Smoothies, Protein and Healthy Shakes, fruit juices, carbonated drinks and water.

CHAPTER FIVE

Organizational Plan (Ownership and Management Plan)

Brina's Cupcake Haven is a proprietorship owned by Sabrina Cyril-Jidendu, an entrepreneur as stated earlier in the business plan. We understand the critical role played by human personnel, towards attaining the goals and objectives of any business. Hence, we are served by only the best that are experience and have a level of expertise in the culinary (particularly pastry) field. They are Sabrina and James Temple and they are the heads of the management crew. Sabrina already has 5years experience in running a Cupcakery as we fondly call it, has been baking and decorating cakes since she was a teenager and has worked as a pastry chef in many restaurants before limiting her skills to just Cakes and Cupcakes in order to focus more on her career in law. She is currently the Chief Executive Officer. James Temple on the other hand is an American baker who has been baking for more than 15 years, has a degree in Entrepreneurship, minored in business management and has an unquestionable passion for baking. He is the Bakery Manager of Brina's Cupcake Haven. Our business structure remains the same as it is and is;

- Chief Executive Officer (occasionally the chief baker)
- Bakery Manager (Head Baker)
- Head Cake decorator
- Human Resources and Admin Manger
- Sales and Marketing Officer
- Accountant/ Cashier
- Bakers, cupcake decorators and casual workers
- Drivers for Deliveries
- Customer Service Executives and Sales Personnel
- Cleaners

Some of the general roles and responsibility of the team include; ensuring the smooth running of the daily business activities, pitching in ideas to increase sales and growth of the company, ensuring that the customer is satisfied and happy, maintaining tidiness all through and developing good working relationship with one another.

CHAPTER SIX

Assessment of Risks

Every new venture will be faced with potential hazards and that fact cannot be discounted for. One of the risks in the bakery industry is the health risk. The simple baking/Cupcake tins if not handled properly will be detrimental to the health of a worker. Most people scoff at the idea that baking tins or trays can be a source of imminent danger in bakeshops but at Brina's Cupcake Haven every potential risk is considered and prevented.

Another risk is the fluctuation of prices which is very prominent in Nigeria. There are raw materials used by bakeries which are subject to extreme fluctuation in prices. A change in the price of raw material will utterly destroy our budget and could lead to extreme consequences but we are always prepared for such instances by allocating money to a section known as inflation/recession crisis in our budget.

A down side to opening a Cupcake shop is the limited growth and seasonality of customers. Cupcake is a confectionary or sweet treat eaten occasionally, it doesn't form part of a main meal unless in the rare occasion of a three course meal which would include a dessert and is hard to come by in Nigeria. This means that the growth span of the business is limited as it doesn't form part of the traditional day to day meal of a typical Nigeria. Similarly on the seasonality of customers, still considering that it is purely a dessert, it will only be required during events like weddings, birthday parties, church functions and others. Therefore, there may be a period where it isn't a food trend and business might be slow but Brina's Cupcake Haven has special and tasty flavors of cupcakes that will leave customers drooling for more all year round.

Another risk involved in the bakery segment is that a little inattentiveness and carelessness can lead to your business being up in flames and left in ashes. That is why we have put together some and complied with the health and safety standards such as never leave the oven and any other appliance unattended, put away all sharp utensils, clean all wet surfaces and give one another space to work. Finally, although having competitors is a common risk in any business venture Brina's Cupcake Haven only sees them as challenges to overcome and tests on how unique and scrumptious our cupcakes are.

CHAPTER SEVEN

Financial Plan

INCOME STATEMENT

	2021	2022	2023
Revenue	₦	₦	₦
Store sales	30,375,000	32,400,000	34,425,000
Total sales	30,375,000	32,400,000	34,425,000
Cost of Goods Sold	₦	₦	₦
Food Waste	2,025,000	2,025,000	2,025,000
Labour	3,240,000	3,456,000	3,672,000
Ingredients	2,268,000	2,419,200	2,721,600
Supplies	1,289,520	1,289,520	1,289,520
Total COGS	8,822,520	9,189,720	9,708,120
Expenses	₦	₦	₦
Electricity	2,592,000	2,592,000	2,592,000
Diesel/Fuel	2,000,000	2,000,000	2,000,000
Water	216,000	216,000	216,000
Advertising	734,400	734,400	734,400
Salaries	6,160,320	6,160,320	5,944,320
Taxes	432,000	432,000	432,000
Loan	2,088,000	2,088,000	2,088,000
Total expenses	14,222,720	14,222,720	14,006,720
Net Income	7,329,760	8,987,560	10,710,160

- All store sales are based off a 300 day year because we will only be open 6 days a week and are closed on Certain Holidays

BALANCE SHEET

Assets	Dec.31,2021	2022	2023
Current Assets	₦	₦	₦
Cash	1,337,760	2,995,560	4,653,360
Inventory	180,000	180,000	180,000
Accounts Receivable	28,800	36,000	26,640
Total Current Assets	1,546,560	3,211,560	4,860,000
Long term Assets	₦	₦	₦
Equipment	7,200,000	6,480,000	4,680,000
Improvements to building	1,800,000	823,320	540,000
Total Long term Assets	9,000,000	7,303,320	5,220,000
Total Assets	10,546,560	10,514,880	10,080,000
Liabilities	₦	₦	₦
Accounts Payable	720,000	720,000	540,000
Sales Tax (VAT)	360,000	360,000	360,000
Payroll taxes (PAYE)	720,000	720,000	600,840
Total Current Liabilities	1,800,000	1,800,00	1,500,840
Long term Liabilities	₦	₦	₦
Bank Loan	7,408,800	5,719,320	3,925,800
Total Long term Liabilities	7,408,800	5,719,320	3,925,800
Total Liabilities	9,208,800	7,519,320	5,426,640
Owners' Equity	1,337,760	2,995,560	4,653,360
A=L+OE	10,546,560	10,514,880	10,080,000

CASH FLOW PROJECTION

Brina's Cupcake Haven expects to attract sales of ₦ 30,375,000 in the first year of operations, ₦32,400,000 in the second year and ₦34,425,000 in the third year. Our sales are constantly expected to climb upwards.

BREAK-EVEN ANALYSIS

As one can see we have already broken even on our first month. And to continue to break even and make profit we need to sell 20,100 cupcakes a year that is 67 cupcakes a day.

CHAPTER EIGHT

Funding, Sponsorship and SWOT Analysis

Funding & Sponsorship

Brina's Cupcake Haven, Owerri Branch will be started and run with funds from the income of previous sales in our other branches in Nigeria, Sponsorship and loans from financial institutions. The location site, building and establishment of the store and store front and interior design is entirely financed and sponsored by Cyril-Jidendu, a well Known Entrepreneur and Farmer who has over 20years experience in business management, business start-up dynamics and overall business growth and development.

A loan will be requested from the financial institution, Bank of Industry (BIO) to cover our Equipment cost that is to purchase the equipment needed for the store at a 7% interest rate which will be paid back over a time period of 5 years.

The ingredients and other remaining costs included in the startup cost will be covered by the income of the previous sales of our cupcake in the other branches of Brina's Cupcake Haven in Nigeria. The remaining costs include advertising and promotion costs, kitchen utensils, bakery accessories like paper bags, cartons, etc. and the ingredients for the cupcakes to be baked.

SWOT Analysis

Every business needs to analyze their strengths, weakness, opportunities and threats and this is called the SWOT Analysis. *Strengths*: our strength lies in the fact we deal in all forms and flavors of cupcakes as well other special and exciting flavors. We will bake and retail cupcakes made in different designs, variants, themes, flavors and packaging just to appeal to our target market. Similarly we also have and will have state of the art bakery facility and equipment and an excellent baking crew. *Weakness*: the fact that we are new and will need to do a lot of advertising may pose as a challenge. *Opportunities*: a lot of people are looking for something new and exciting in Owerri which we have got and the fan base for sweet treats is large, hence a lot of people want to consume cupcakes and learn how to make them. Finally, *Threats*: competitors are our only threats but we are ready to outsmart them and dominate.

CHAPTER NINE

Recommendation and Conclusion

Brina's Cupcake Haven conforms to all government regulations and has a reasonable chance of success at the start which is sustainable. Our exciting new flavors and designs will be marketed effectively and we strive to offer excellent and gourmet cupcakes at competitive. This Business Plan will serve as the framework through which the company will effectively discharge the responsibility in accordance with the standard business practices worldwide. Thus, this project is technically feasible and economically viable and is therefore recommended for funding.