

NIHINLLA DEBORAH AYOMIDE

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INTRODUCTION TO ENTREPRENEURSHIP

Title: Business plan on the set up of a bakery

Prepared by: Nihinlola Deborah Ayomide

For: Dee's Bakeries

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EXECUTIVE SUMMARY

Dee's bakeries is a bakery that makes and sells pastries such as cupcakes, wedding and other event cakes, finger foods and the likes. Over the years, pastries have become a very important food to many and as a result, there has been an increase in demand for pastries especially among young people. This is no surprise because these foods are very sweet and very convenient to eat. You can easily pack them around with you and bring them out to at whenever you please.

Dee's bakeries will also provide gluten, wheat and dairy free products. Within the last three years there has been significant increases in demand for these bakery products.

Products

Dee's bakeries offer a wide range of very exciting and delicious pastries such as cakes, doughnuts, croissants and the likes. We will also provide pastries for people with certain allergies who cannot eat normal pastries. People who are lactose intolerant or gluten intolerant and also for old people who because of their health cannot eat some certain type of food

Customers

Dee's bakeries targets people of all ages and classes. From old to young irrespective of what class in the society that they might fall into whether it is the middle class or upper class.

Objectives

1. To make up to three million naira in the first year
2. Increase sales by 40% in the first year and 70% in the following year
3. Have other branches of the bakery in at least two places by the third year.

Mission

Dee's bakeries aims at producing high quality confectioneries for sale in a comfortable and hygienic environment at an affordable price while also making profit at the same time.

Keys to success

1. Purchase of only the best and finest of ingredients to satisfy her customers
2. Adoption of a "make it happen no matter what" policy so as to better serve the customer
3. Take note of every complaint lodged by any customer and look into it

INTRODUCTION

Dee's bakeries is the name of the bakery set up to produce varieties of pastries. It will be located at No 10, Aminu Kano Crescent, Wuse, Abuja. The business is a sole proprietor business owned by an individual who represents the management, finance and administration areas of the business. Dee's bakeries expects to catch the interest of loyal customer base with its broad variety of pastry products. The plan is to build a strong market in the area due to the experience of the owner and the presence of no competition in the area.

DESCRIPTION OF THE VENTURE

The form of ownership shall be a sole proprietorship. It enables for accountability and easy management of the business as it is owned and managed by just one person and also the financial burden and risks fall upon this one individual. The owner is a certified caterer who obtained a degree in catering from the university of Ibadan and has since then been making pastries for sale. This is not her first bakery business as she has owned other bakeries in the past. The company will be set up on loans obtained from friends and families and also some money from the personal savings of the owner.

Dee's bakeries is poised to produce all sorts of pastries such as cakes, doughnuts, samosa, spring rolls, cookies, croissant, muffins, brownies, cupcakes and finger foods and also healthy pastry options for people who cannot eat from the normal menu. The bakery will provide freshly baked pastries to ensure that her customers enjoy fresh products all the time. The target markets for these products are the people in the area who will come around to purchase these products and also the tourists who come around to visit and will have reasons to stop and buy confectionaries to eat while they go around town.

The business also takes orders to bake for events such as weddings, birthdays, house warming ceremonies. Dee's bakeries offers catering service for all sorts of events. The owner has also catered at big and major events in the past and as a result, this will not be a challenge for her as has a good background as regards these issues.

ENVIRONMENTAL AND INDUSTRIAL ANALYSIS

Wuse in Abuja is a place that is densely populated and there are a lot of businesses located around that area including hotels and there are also residential areas around there. It is safe to say that Wuse is the heart of Abuja and as a result, it will be a very good place for setting up a confectionary business. It is located in the center of Abuja with many recreational parks surrounding it making it easier for the bakery to gain the attention of people. There is only one other bakery around that area and so therefore, the level of competition for Dee's Bakeries won't be high. Also, the other bakery only makes cakes but Dee's bakeries makes all forms of pastries.

The place where the bakery will be set up is a commercial area so there won't be any need to worry about the government making any policies as regards the location that will negatively affect the bakery. The business is strategically placed in an open place that will make it very

impossible to be missed by anyone. Also, advertisement banners have been set up in strategic locations to call the attention of the populace. The prices of the products are placed in such a way that it will be affordable to both the middle class, the higher class and some of the lower classes.

And also chances that this will be a very successful business is quite high as many people are in love with pastries and enjoy snacking on them. People find it very convenient to eat pastries in between meals and sometimes even as meals to quench hunger. Also most events and programs nowadays are regarded as incomplete without cake and other small chops involved. One of the most important things while planning an event today is the presence of cake because they are very sweet and comfortable to eat as they are not messy.

It is expected that demand will be higher during the summer period because it is a time where more people will be free and want to relax and enjoy their holiday.

PRODUCTION PLAN

Because this is bakery which specializes in the production of various confectionaries, the production processes differ from one another. The method by which cake will be made will be entirely different from the production process of croissants or samosa.

For the production cake it involves the mixing some measured ingredients which include flour, butter, sugar, milk, baking powder etc and baking them in the oven to make the cake. Since there are different types of cakes, different ingredients and processes will be involved in the production. Below is a sample of how to make a simple vanilla flavored cake:

Ingredients needed

Flour, sugar, butter, milk, baking powder, nutmeg, eggs, vanilla extract and salt

Steps

Step 1: pour your butter and sugar into a mixer and mix until it has a pale color so as to achieve a soft fluffy feel for your cake

Step 2; while the butter and sugar are in the mixer, go ahead to pour all your dry ingredients which are flour, grated nutmeg, salt and baking powder into a bowl and whisk.

Step 3: after your sugar and butter have been properly mixed, go ahead and pour your eggs into the mixer and mix them together with your batter

Step 4: after they have been properly mixed you can begin to pour in your dry ingredients and your milk but note that you must begin with the dry ingredient and end with the dry ingredient. You can divide the dry ingredient into three batches and the milk into two

Step 5: after all the ingredients have been well mixed you can add your vanilla flavor and put it in the oven to bake.

For other pastries like doughnut the process is similar but for pastries like samosa and meat pie it is not so similar. At least eight batches of these pastries will be produced daily. The ingredients will be purchased in bulk as wholesale from the local market there in Wuse. There will also be some machineries put in place to aid the production process and make things easier and faster. Things like big mixers for mixing the ingredients, ovens, cutters etc.

There will also be employees who have good knowledge on baking processes who will also lend a helping hand in the production as it is not possible for her alone to do all the baking because it is a large production company and one person alone cannot handle the production of the pastries alone.

As Dee's bakeries seeks to establish a large regular customer base, sales of confectioneries from Dee's bakeries will not be limited to just the bakery in Wuse alone, some of the products will be distributed to markets and stores around Abuja to be re sold in smaller bits which will be the dominant target market. This will bring about more profit and publicity for the bakery because the products will get to places farther away from Wuse and more people will have knowledge of the bakery and what it has to offer. This will attract more customers and potential buyers.

In addition, tourist traffic is expected to comprise approximately 35% of the revenues.

ORGANIZATION PLAN

The form of ownership is a sole proprietorship kind of business because it is owned and managed by on individual. This individual is Miss Deborah and she will bear all the financial burdens and risks associated with the business. She is also in charge of management and administration of the

business and she is the one who will employ her workers and pay their salaries. And at the end of the day, she alone enjoys the profit from the business.

The organization will also have employees which will consist of bakers who will be in charge of making the confectioneries, sales men and women who will attend to the customers, cleaners who will be in charge of making sure that the customers have a clean and hygienic environment and lastly the security men who will be in charge of ensuring the place is secure at all times.

ASSESSMENT OF RISKS

Every new venture will be faced with risks and one of these risks is competition. For the bakery, the competition will not be so high as there is only one other bakery around the area and this bakery specializes in the production of event cakes only and this is not much of a threat to Dee's bakeries. The weakness of this business is the fact that all the products being made contain a lot of sugar and many people nowadays are beginning to avoid consumption of excess sugar as it has been linked to the cause of many health challenges. And also the need to stay fit has made many people want to stay away from pastries as they are considered to cause people to gain weight. However, this weakness can be reduced by the healthy menus that will also be included in the bakery which will not have a negative effect on the health of the customers.

FINANCIAL PLAN

Fixed cost (Estimated prices)

Building	750,000
Ovens (4)	400,000 (100,000 for each)
Mixers (6)	240,000 (40,000 for each)
Other baking tools	135, 000
Setting up of bakery (electricals, plumbing)	200,000
Total	1,725,000

Variable costs

This table will show the variable costs of the bakery on a monthly basis.

Baking ingredients	1,000,000
Salary of bakers	55,000
Salary of sales men and women	30,000
Salaries of cleaners	15,000
Salaries of security personals	15,000
Monthly maintenance and servicing of equipment	150,000
Total	1,265,000