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COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP

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ASSIGNMENT

Using a company/ business of your choice, write a good and customized business plan covering all relevant aspects and analysis.

Executive summary

Muka's Bakery (**MB**) is a start-up bakery retail establishment located in Onitsha, Anambra State. MB expects to catch the interest of a regular customer base with its broad variety of pastry product. Our product line fits nicely with health trends nationwide – while people still want pastries and baked goods, they want them to be as healthy as possible. The company plans to build a strong market position in the town, due to the mild competitive climate in the area. MB aims to offer its product at a competitive price to meet the demand of the middle to higher income local market area residents and tourists.

Products Served

Muka's Bakery will sell several baked goods including bagels, cookies, cakes, pizzas, muffins, doughnuts, ice-creams, yogurts. All products will use 100% all natural and organic ingredients. Several products will have regular and low- fat varieties. In addition to baked goods, Muka's Bakery will sell breakfast and lunch sandwiches, salads and soups, and serve a variety of coffees and teas.

Customer Focus

Muka's Bakery will primarily serve residents within a 5 mile radius of our store. The demographics of these customers are as follows:

- 43,789 residents
- Average income of 26,000,000
- 75.9% married
- 65.4% in Mgt./professional occupation
- Median Age: 43 years

In addition to this prime adult demographic for an upscale bakery, there are 8 elementary schools, 6 secondary schools, and 2 universities. Students from these schools will be sure to visit Muka's Bakery.

Success Factors

Muka's Bakery is uniquely qualified to succeed due to the following reasons:

- ✓ There is no upscale bakery in the town we are to operate in, in addition, we have surveyed the local population and received extremely positive feedback saying that they explicitly want to frequent our business when launched.
- ✓ Our location is in a high- volume area with little direct traffic, and will thus be highly convenient to significant numbers of passers by each day.
- ✓ The management team has a track record of success in the bakery business
- ✓ Market trends such as healthy and organic living, support our business opportunity.

The company

MB is incorporated in the city of Onitsha, located at 100 Awka Rd, in the center of Onitsha. It is a new upscale bakery focusing on providing organic/healthy baked goods. We also sell breakfast and lunch sandwiches, salads and soups and serve a variety of coffees and teas. MB was founded by Mrs. Muka Brittney. Mrs. Muka has an experience in sales, marketing and management, and was the vice president of marketing with splat burgers. She also brings experience in the area of finance and administration, including a stint as chief financial officer with Gourmet bakery. She can be said to be an all rounder. She had been in the bakery business for some time, and then decided to launch her own company.

Below is MB's initial menu. All items will be 100% natural and organic. As you can see all items are classified under the following eight main categories:

- ✓ Breakfast sandwiches
- ✓ Muffins and scones
- ✓ Ice-creams and yogurt
- ✓ Cookies and deserts
- ✓ Cakes and pancakes
- ✓ Salads
- ✓ Coffee

MB plans to be open 7 days a week, from 7am to 8pm. As demand dictates, we may extend or reduce our hours. Likewise as demand dictates, we may offer delivery services.

Industry Analysis

MB directly or indirectly competes with all foodservice providers nearby our store that offer similar products, mainly breakfast foods, bread, desserts, sandwiches and salads. Competition will come from supermarkets, restaurants, coffee shops, bakeries and other retail establishments. Direct competition will come from companies offering 100% natural, organic products like Sparkle Cakes & Pastries.

Customer Analysis

MB will serve the residents of 100 Awka Road, Onitsha and the immediately surrounding areas as well as those who work in Awka Road, Onitsha. The area we serve is affluent and has an affinity to healthy and organic foods and beverages like we will be offering. We will primarily target the following four customer segments:

1. Stay -at –home moms: the town has a large population of stay-at – home moms who are active in the school and community. These moms often meet for lunch or coffee and MB will provide a perfect place for them to congregate. We also expect mothers to take their children to MB for after school and weekend snack and meals.

2. Morning commuters: many local residents drive to neighboring towns to work. MB is conveniently located for these individuals to pick up coffee or a breakfast sandwich in the morning or pick up pack of burgers in the evening for their families.
3. Local office workers: approximately 5.000 individuals work in offices within a quarter mile of our location and we expect a fair portion of these individuals to frequent us during the morning and lunch hours.
4. Students: there are secondary schools and universities in the town within one half mile. Students from these schools will be targeted to frequent MB.
5. Eateries/hotels.

Marketing Plan

The Muka's Bakery brand will focus on the company's unique value proposition:

- Offering organic, high-quality food items including baked goods, sandwiches, salads and more.
- Offering a convenient location that offers both eat-in or take-out option
- Providing excellent customer service

Promotion Strategy

Muka's Bakery expects its target market to be individuals working or living within a 5-mile radius of each of its store. The company's promotion strategy to reach these individuals includes:

1. Public Relations: we will contact newspapers and television stations to tell them about the opening and unique value proposition of Muka's Bakery.
2. Sampling: employees will initially give free food samples to passer's by to enable them to taste the quality of our products and learn about us
3. Pricing Strategy: Muka's Bakery pricing will be moderate so customers feel they receive great value when patronizing the stores.

Operations plan

Functional Roles

In order to execute on Muka's Bakery business model, the company needs to perform many functions including the following:

Administrative Functions

- General and administrative functions including legal, marketing, bookkeeping, etc
- Sourcing and storing ingredients
- Hiring and training staff

Kitchen Functions

- Food preparation
- Ongoing menu creation and modification

Store/Retail Function

- Order taking and fulfillment(for take-out and dine-in)
- Customer service
- maintenance personnel to keep the store clean

Milestones

Muka's Bakery expects to achieve the following milestones in the following months:

- ✓ level of Priority Time to Implement
- ✓ Urgent Strategic Planning & Business Plan Development, Secure Capital Partners Development Website, Branding and Marketing Brand Opening
- ✓ High Raise Capital and
- ✓ Funding Required to Launch/ Acquire Bakery
- ✓ Purchase Initiate Hiring Plan

Hiring Plan

Mrs. Muka will serve as the store manager. In order to launch our store, we need to hire the following personnel:

- ✓ Wait staff (2 full time equivalent to start)

- ✓ Short-order cook (1 to start)
- ✓ Baking staff (1 to start)
- ✓ Assistant Store Manager (will manage cash register and other administrative functions)

Financial Projections

Revenue and Cost Drivers

Muka's Bakery revenues will come from the sale of organic food products to its customers. The company will have a dine-in, take-out, and possibly delivery systems to cater to a broad spectrum of customers in its target market. The major cost of the company will be food production costs and salaries of the staff. In the initial years, the company's marketing spend will be high, as it establishes itself in the market.

Capital requirements and use of funds

Muka's Bakery is seeking a total funding of 128,000,000 to launch its store. The capital will be used for funding expenditures, manpower costs, marketing expenses and working capital. Specifically, these funds will be used as follows:

- Store design/build: 75,000,000
- Working capital: 50,000,000 to pay for marketing and lease costs until MB reaches break-even.