NAME: ICHEGBO FAVOUR ERUCHI

DEPARTMENT:COMPUTER ENGINEERING

COURSE:ENTREPRENEURSHIP

MATRIC NO:18/ENG02/042

  **BUSINESS PLAN ON MORNING STAR BAKERY PLC**

**Summary**

Morning star Bakery is a new organic bakery specializing in gluten, wheat and dairy free products. Within the last three years there has been significant increases in demand for these bakery products. This can be explained to a large degree by the fact that up until recently Americans have had food allergies that have been undiagnosed. It has been only in the last few years that medical doctors have begun to diagnosis food allergies correctly. What was once an unknown problem that affected so many people with no recourse has become a manageable ailment that is easily dealt with through modification of diets. This is very positive for both those people that are affected as well as bakeries such as Morning star bakery that specialize in these products.

**The Products**

Morning star bakery offers a wide range of exciting products. The first group is spelt breads, muffins, and pastries. Spelt is used as there are far fewer people that are allergic to this grain. Yeast allergies are also common and Morning star bakery offers a menu of yeast free breads. Dairy free muffins and pastries are offered for vegans. Lastly, egg free breads, muffins, and pastries are offered.

**Customers**

Morning star bakery will focus on three distinct customer segments. The first group is the Allergy group. This segment is growing at 15% a year with 32,000 potential customers. The second niche is the Doctor group. This segment is also growing at 15% with 14,200 potential people. The last group is the Dieters group. This segment is typically making modifications to their diet based on their desire to lose weight. This niche also is growing at 15% with 48,000 possible customers.

**Management Team**

Recognizing the importance of human capital, Morningstar has assembled a strong management team. The team is led by Donna Sharp. Donna comes to Morningstar with 10 years of baking experience. In addition to her industry specific experience, Donna has had 2 years of management experience. Donovan Bailey brings financial skills to Morningstar after a 15 year CPA career. Tara Juniper-Reid will lead the marketing efforts having participated in her own PR firm. Lastly, Lucy Hamilton will be on the team as an assistant baker with over five years of experience.

Morningstar is an exciting opportunity that combines, fresh baked goods with spelt, yeast free, dairy free, and egg free products, addressing the recent need for these new products. Demand for these products is expected to grow exponentially as medical doctors become more and more aware of food allergies Americans are afflicted with. Profitability is forecasted to occur by month three. Through a combination of a strong management team, a solid business model, and exciting, market demanded products will allow Morningstar to quickly gain market penetration and cash richness.

**Objectives**

To establish a working storefront for Morningstar bakery.

To develop the strong presence in the community needed to support sales goals.

To develop a full menu by the end of the second quarter.

Morningstar Bakery aims to be a cornerstone in the community creating a neighbourhood atmosphere where customers feel comfortable and become instant regulars. We are sensitive to the often over-looked population of allergy sufferers and cater to their needs for healthy, delicious baked goods. We seek fair and responsible profit, enough to keep the company financially healthy for the long term and to fairly compensate owners and investors for their money and risk.

Morningstar Bakery will be located in downtown in a historical building. This downtown district is a very popular destination because of the historical architecture for weekenders and tourists. It is also a prime location for all the employees of the surrounding downtown businesses. The bakery sells non-wheat and other health specific breads, sweets and pastries to the surrounding community every Tuesday through Sunday.

 **Company Ownership**

Currently Morningstar Bakery is a sole proprietorship owned by Donna Sharp. Eventually, as the company becomes established, Morningstar will apply to be incorporated.

 **Start-up Summary**

The primary expense to establish the Morningstar Bakery is the mortgage loan estimated at #175,000 to purchase the vacant space on [Name omitted] street. The building was previously used as a bakery and we plan to buy the used equipment along with the space. This cost is also calculated into the loan estimate. Donna Sharp intends to invest #7,500 of her savings to cover the other cost of start-up.

These costs include:

Advertising brochures.

Bakery ingredients.

Insurance.

Bakery accessories, i.e. paper bags, cartons, etc.

START-UP REQUIREMENTS

Start-up Expenses

Legal #0

Stationery etc. #0

Brochures #2,500

Consultants #0

Insurance #150

Mortgage #1,258

Research and development #0

Bakery Ingredients #500

Other #1,000

TOTAL START-UP EXPENSES #5,408

Start-up Assets

Cash Required #12,092

Other Current Assets #0

Long-term Assets #175,000

TOTAL ASSETS #187,092

Total Requirements #192,500

START-UP FUNDING

Start-up Expenses to Fund #5,408

Start-up Assets to Fund #187,092

TOTAL FUNDING REQUIRED #192,500

Assets

Non-cash Assets from Start-up #175,000

Cash Requirements from Start-up #12,092

Additional Cash Raised #0

Cash Balance on Starting Date #12,092

TOTAL ASSETS $187,092

Liabilities and Capital

Liabilities

Current Borrowing #0

Long-term Liabilities #173,000

Accounts Payable (Outstanding Bills) #0

Other Current Liabilities (interest-free) #12,000

TOTAL LIABILITIES #185,000

Capital

Planned Investment

Untitled #0

Donna Sharp #7,500

Other #0

Additional Investment Requirement #0

TOTAL PLANNED INVESTMENT #7,500

Loss at Start-up (Start-up Expenses) (#5,408)

TOTAL CAPITAL #2,092

TOTAL CAPITAL AND LIABILITIES #187,092

Total Funding #192,500