

PART 3. The Management Team

Management

As the form of Breadelicious ownership is a sole proprietorship, the Owner is (ENTER THE NAME). In order to keep the business running, an administrator, two chefs and a shop assistant will be hired. The Owner will control the quality of production and the financial part, administrator will organize the work process, inform the Owner about any needs, and communicate with customers. The Chefs will bake bread (they form the most essential part of the business), and shop assistant will sell the production to customers. The administrator will be the right hand of the Owner and will be responsible for baking courses and the satisfactory level of the customers.

Organization Chart

Owner – Administrator. Administrator reports to the Owner about any needs and events. Administrator – Chefs. Administrator controls the work of chefs and regulates the individual orders. Information concerning what is needed to complete an order is passed to the owner by administrator. Chefs are doing their best to provide top quality products.

Administrator- Shop Assistant. Administrator controls the work of the shop assistant and counts the income in the end of the day. Shop assistants provide services to the customers.

Also, an attendant will be hired to control the sanitary norms in the bakery.

Business Goals

The first goal to be achieved in the first year in the business is the establishment of a set of returning clients. The task concentrates on finding people who will love and attend the place, participate in the events organized by the bakery, and people with their own favorite bakery goods. The second goal for the first year is to provide a good advertising in order to attract new customers. Therefore, unique creative and interesting bread goods will be introduced and advertised as something absolutely new, an innovation. The third goal for the first year is to expand by providing more goods and services. For example, except bakery, the company can make different homemade sweets and candies. The intermediate-to-long-term goal will be achieved by founding a chain of comfortable bakeries and expanding the range of services to café-type. By the end of the first year, it planned that the venture will obtain 50 to 70 regular customers and will sell at least 100 bread goods on a daily basis.

Ethical Issues

Breadelicious will sell only fresh baked products. Products that are not fresh or the leftovers will be sold to the farmers.

Every person will be able to get the bread that he or she wants. People with special needs, for example, suffering from allergy, will be catered on the appropriate level. The bakery will expose a set of anti-allergic production.

Every half year Breadelicious will arrange charity meetings for people to enjoy fresh bread for free or at a significant discount.

Social Responsibility

A good name of Breadelicious will greatly affect its success. Therefore, the company will perform its social responsibilities on the appropriate level. Breadelicious will be socially responsible for the staff it employs, their level of knowledge, particular skills, work conditions and social benefits. To create a socially responsible business, a number of steps will be implemented: establishing a solid financial basis, providing different facilities for buyers, hosting ecological and social events, charity and supporting the employees.

PART 4. The Marketing Plan

Market Research

MARKET RESEARCH

Target buyers of Breadelicious will be mostly adults, from 25 years to 60. This client orientation is chosen as bread is more appreciated among adults. Teenagers and young people nowadays are hard to impress just with tasty bread. However, with the development of the business and widening its service range (by providing homemade sweets and developing a café-type network), it will attract the attention of youngsters. Marketing strategy will be created by developing convincing statements of why our products are the best and an advertisement campaign will be held. Free samples of the products will be available. People of any income will be able to taste breadstuffs in Breadelicious and buy them because the prices established will moderate and the discount system will be available.

The Product or Service

PRODUCT FEATURES AND BENEFITS

The key product will be the bread in the form of baguettes with different fillings, sweet rolls and buns of different kinds. The idea is to create bread for everyone by the individual receipt, which is an interesting and fresh idea that can influence purchase. Also, there will be special programs to attract families and customers with children and let them bake their own bread, of course under control of qualified chefs. The design will be in soft creamy colors so it will be pleasant for eyes. The production will be changed week by week, for example, in the first week, cinnamon buns

and French baguettes will be on the offer, and during the next week, rolls with jam and aromatic round bread. It will allow checking the preferences of the customers and surprising them with the development of the production offered.

PRODUCT DIFFERENTIATION

With strong competitors in the market, which have a large customer base and wide operation experience, there is a need to make the products of Breadalicious unique. The main Idea of Breadalicious bakery is that anyone can have bread he or she wants. At the courses for parents and children, people will be able to create it with their own hands. Weekly menu changes will trigger interest of what will be the main proposition of the day. Also, charity meetings and sales will attract many people to the place. Breadalicious specializes on different bread types, so everyone can find or order something suitable particularly for him/herself. Also, special programs for people with allergy, children and diet bread will be available.

PRICING

For this kind of business with all the possible risks incorporated, penetration pricing is the best option. For the first time, people will buy bread and pay less, and when the market share reaches the needed level, the prices can be increased. However, there is no point in selling bread at high prices as the business is new and needs to attract customers. Bread is an everyday product. People buy it often as many dishes taste better with fresh bread, so price skimming is not suitable in this case.

Sales and Promotion

ADVERTISING

As the business is new, and its competitors hold strong positions on the market, the advertising will start a month before the opening. People will be invited to the “Grand Opening!”, and on the first day, they will bake collective bread. Customers will enjoy Breadelicious’ everyday production and assure themselves in the freshness of the breadstuffs. Also, fly-sheets will be distributed and an advertisement on the local mass media launched. Advertising panels will be used as well to spread the information about a new unique bakery. Breadelicious will always be visible for its customers and will try to be the first bakery that comes to mind when the bread is needed.

PROMOTIONS

There will be sales weeks on a particular good. Also, the strategy of popularizing Breadelicious food by making it a fashionable place (as it is popular to drink Cola) will be developed by engaging celebrities in its advertising campaign. A special system of sales for people that bring friends to the bakery will be developed.

Place (Distribution) Issues

Since the bakery locates in the living area near the center, people will easily find Breadelicious on their way home or to work. The pace will be pleasant to visit at any. The ingredients for bread preparation will be delivered once per week and more if needed at 6 AM to bake fresh bread from the early morning.

PART 5. The Financial Analysis

Expected Revenue

Every item of bread will cost no less than 3\$, and sweet buns will cost – 2\$. An individual order will cost approximately 5\$. The company plans to sell 200 breadstuffs per week, so, for the first year, it is expected to sell 10400 units of bread. Totally, the business plans to earn more than 60000 \$ for the first year to cover the expenses.

Cost of Doing Business

Rent: 150 sq ft – 350\$ per month in Cleveland.

Salaries and Wages: In the beginning, the company will pay 3\$ per hour to chefs, from 7AM to 6PM, 33\$ per day, 5 days a week 165\$ and 8250 \$ annually. Administrator will work for 4\$ per hour from 9AM till 6PM (as he does not need to bake) 36\$ per day, 180 per week, and 9000\$ annually; and shop assistant will work for 30\$ per day, 150\$ per week and 7500\$ annually. As a result, the company will spend 24700\$ per year to the staff.

Supplies: Oven, Divider, Mixer, Moulder, Bannetons, Loader, Bread Slicer, Pan Racks, Cooling Racks, Software, Computer upgrades, Triple sink, Heavy Scale, Maple bench, Small Loaf Pans, Countertop, Mixer, Flour Bins, Sheet Pans, Food Processor, Cash Register, Coffee Maker, Bread Boards, Baskets Chest Freezer, Coffee Mill Baker's Canvas, Oven Peels Garbage Disposal, Garbage Cans, Handsink, Gm/Oz Scale Faucetts Used range, Counter, File Cabinet, 7qt Saucepan, Bread Knives, Mop Bucket, Timer, Dough Tubs, Oven Thermometer, 1qt Saucepan , Mopheads, Coffee Pots, Whisks Lames, Thermometers, Wooden Spoons. Total - 7200\$, most of these

items will be bought by the bank loan money.

Advertising and Other Promotions: 300\$ for the first month advertising; after the first month, no more than 20 dollars for fly-sheets.

Utilities: Heat, Electricity – 200\$ per month. Telephone, Internet- 30\$ per month as it is a bakery, but not an office.

Insurance: 42\$ per month.

Expected Yearly Cost	Expected Monthly Cost	Expected Yearly Cost
Rent	350	4200
Salaries and Wages	2640	31680
Supplies: Technological, Equipment, Furniture, Other (computers, software, copy machine, desks, chairs, etc.)	600	7200
Advertising and Other Promotions	200 for the first month	500
Utilities: Heat, Electricity, Etc.	200	2400
Utilities: Telephone, Internet	30	360
Insurance	42	500
Other (repair, maintenance, unexpected costs)	50	600

Startup Costs

The company will need at least 60000\$ to start a business.

Financing

A bank a loan will be acquired and support from the investors conducted.

Income Statement and Balance Sheet

12-Month Income Statement (Profit & Loss Statement)

Expected Yearly Cost	January	February	March	April	May	June	July	August	September	October	November	December
Revenue (Sales)												
Category BREAD	6 000	7 000	6 000	6 000	7 000	8 000	8 500	7 500	9 000	8 900	9 000	10 000
Category SWEET BREADSTUFFS	2 000	3 000	2 500	1 500	2 000	4 000	3 000	2 400	3 000	2 800	2 900	2 500
Total Revenue (Sales)	8 000	10 000	8 500	7 500	9 000	12 000	11 500	9 900	12 000	11 700	11 900	12 500
Cost of Goods Sold												
Category 1 BREAD	2 000	1 500	2 000	2 500	3 500	4 300	4 500	3 000	2 800	4 000	4 000	4 000
Category 2SWEET BREADSTUFF	1 500	2 500	1 500	1 000	1 000	2 900	2 000	1 000	3 500	3 300	3 400	3 000
Total Cost of Goods Sold	3 500	4 000	3 500	3 500	4 500	7 200	6 500	4 000	6 300	7 300	7 400	7 000
Gross Profit	4 500	6 000	5 000	4 000	4 500	4 800	5 000	5 900	5 700	4 400	4 500	5 500
Cost of Goods Sold												
Rent Expense	350	350	350	350	350	350	350	350	350	350	350	350
Salary/Wage Expense	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640

Expected Yearly Cost	January	February	March	April	May	June	July	August	September	October	November	December
Rent Expense	350	350	350	350	350	350	350	350	350	350	350	350
Salary/Wage Expense	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640	2 640
Supplies Expense	600	600	600	600	600	600	600	600	600	600	600	600
Advertising Expense	200	28	28	28	28	28	28	28	28	28	28	28
Utilities Expense	200	200	200	200	200	200	200	200	200	200	200	200
Telephone/Internet Expense	30	30	30	30	30	30	30	30	30	30	30	30
Insurance Expense	42	42	42	42	42	42	42	42	42	42	42	42
Interest from Loans (if applicable)												
Other Expenses (specify) REPAIR MAINTENANCE, UNEXPECTED COSTS	50	50	50	50	50	50	50	50	50	50	50	50
Total Expenses	4 112	3 940	3 940	3 940	3 940	3 940	3 940	3 940	3 940	3 940	3 940	3 940
Net Profit	388	2 060	1 060	60	560	860	1 060	1 960	1 760	460	560	1 560

Balance Sheet

Assets	
CURRENT ASSETS	
Cash in Bank	60000
Cash Value of Inventory	7 200
Prepaid Expenses (insurance)	500
Total Current Assets	67500
FIXED ASSETS	
Machinery & Equipment	3000
Furniture & Fixtures	4200
Real Estate / Buildings	4200
Total Fixed Assets	11400
Total Assets	79 100
LIABILITIES & NET WORTH	
CURRENT LIABILITIES	31680
Accounts Payable	5000
Taxes Payable	
Notes Payable (due within 12 months)	
Total Current Liabilities	36 680
LONG-TERM LIABILITIES	
Bank Loans Payable (greater than 12 months)	60000
Less: Short-Term Portion	-
Total Long-Term Liabilities	60000
Total Liabilities	96680
Owners' Equity (Net Worth)	-14 580
Total Liabilities & Net Worth	79 100