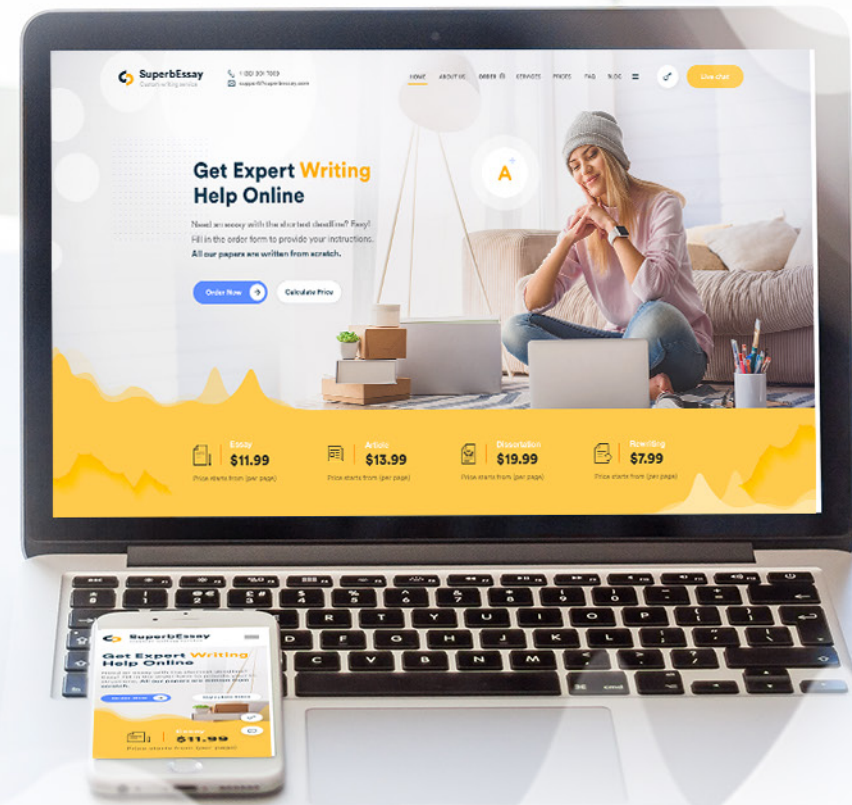


The Bakery Business Plan

Student's name
Student's affiliations



The Needs of Customers Benefits

- ✓ High consumption of bread, pastries, cookies, etc.
- ✓ People buy fresh products every day
- ✓ People rarely order online, so there is a need for a retail bakery store
- ✓ People will get fresh bakery every day

Project Overview

- ✓ The bakery is proposed as a means of additional income for the family farm
- ✓ Products are homemade and of high quality
- ✓ The bakery will be run by the women of the family

OPERATION PLAN

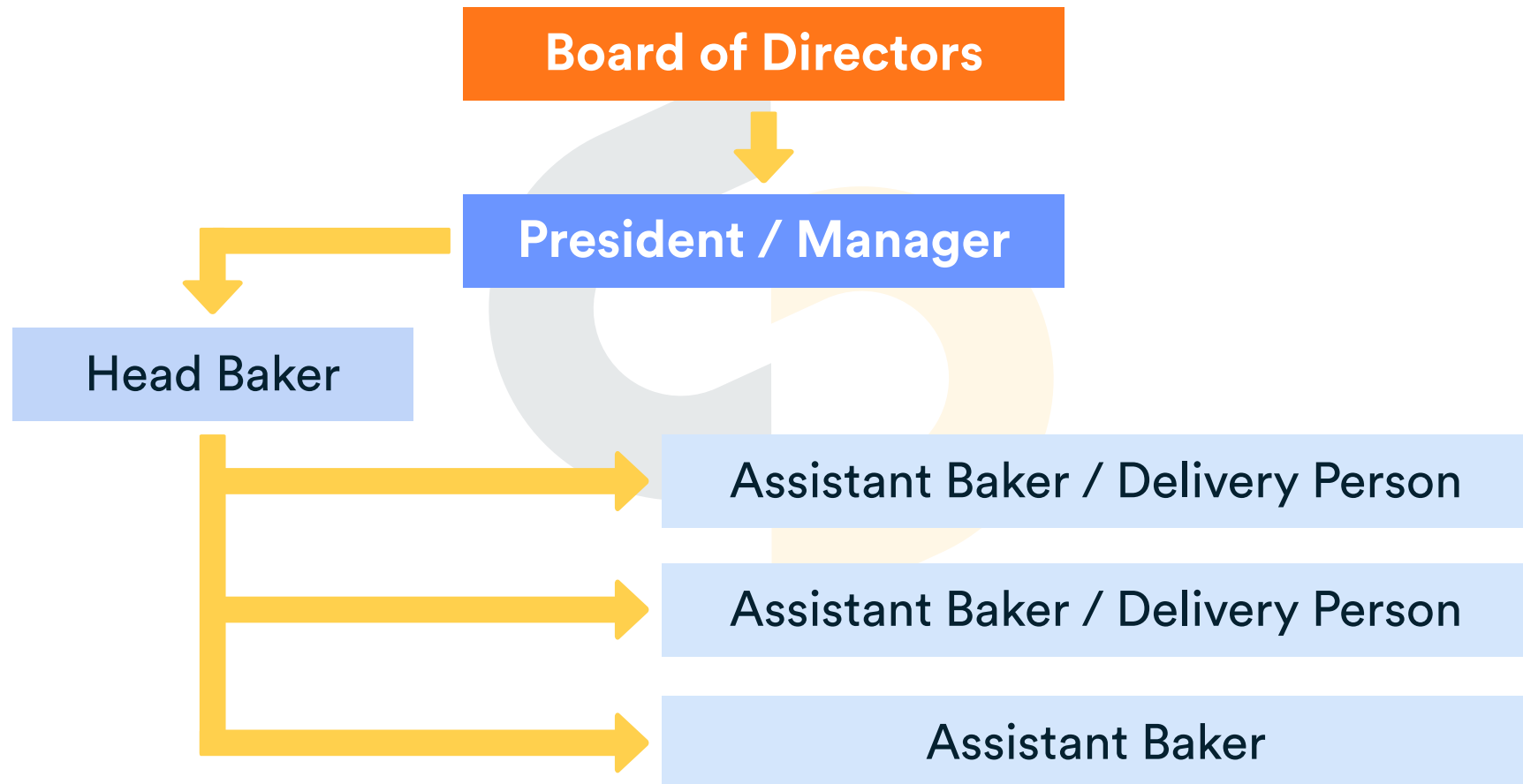


Superb
Custom writing

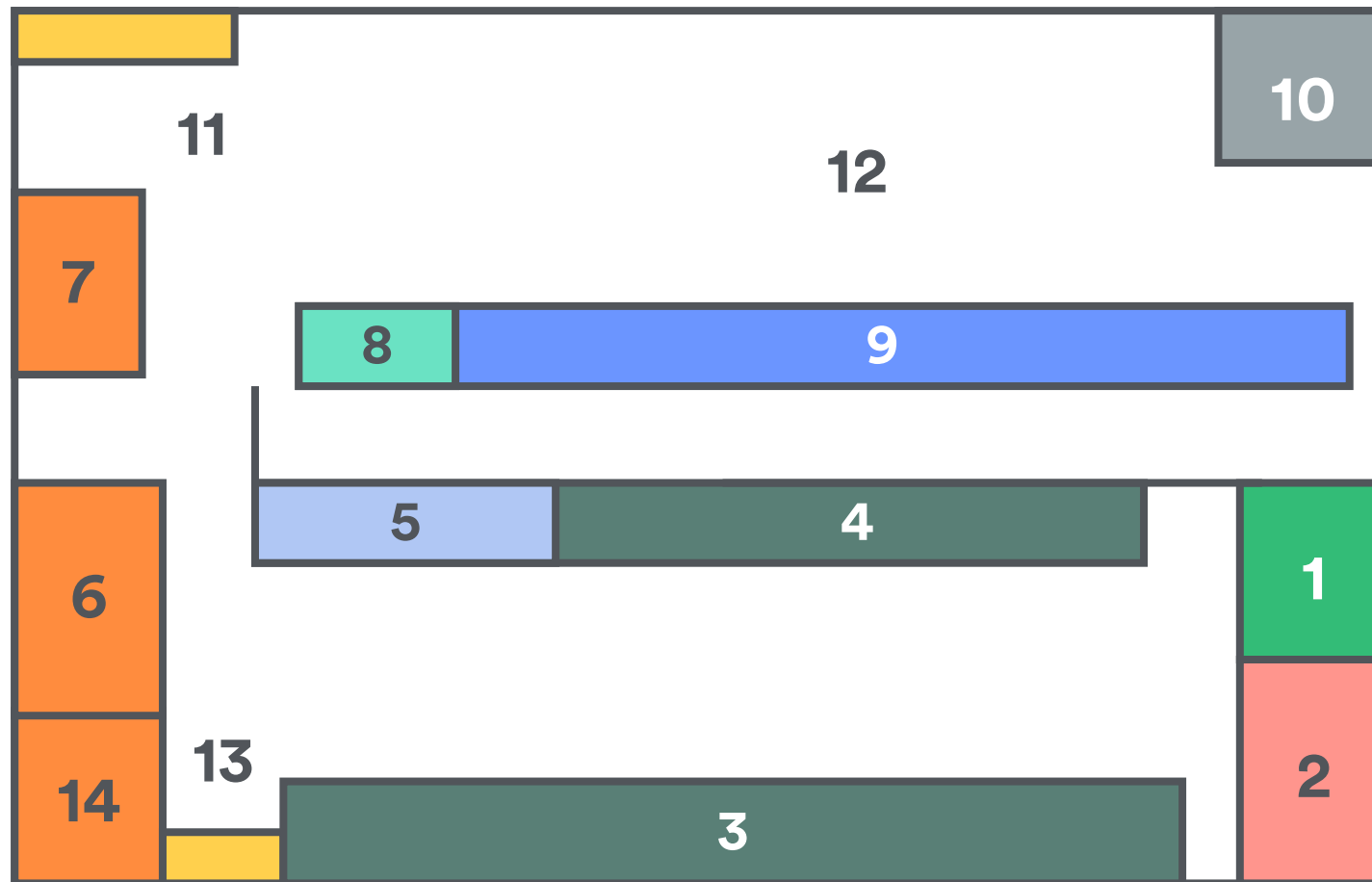
Start Up

- ✓ The bakery will be constructed on the farm
- ✓ Construction will commence in January 2015
- ✓ The bakery is scheduled to open in May 2015

Organizational Structure



Floor Plan



LEGEND

1. Oven area
2. Mixer area
3. Counterspace with overhead storage
4. Counterspace
5. Sink area
6. Shelving / rack area
7. Shelving area
8. Cash register
9. Display area
10. Bathrooms
11. Entrance
12. Sitting / cafe area
13. Rear entrance
14. Cooler

Work Plan

- ✓ 4:00 am – start baking
- ✓ 8:00 am – bakery opens
- ✓ Leave for farmers' market
- ✓ 5:00 pm – bakery closes

Quality Control Program

✓ REGULATIONS

- Local
- Consumer Protection Branch
- CFIA
- Labor
- Sanitation

Capital Budget

| Description | Estimated | Source of Estimates |
|------------------------|-----------|-----------------------------------|
| | Cost (\$) | Obtained |
| Buildings: | | 1000 ft ² |
| Bakery | 85,000 | Humboldt Lumber Mart Ltd. |
| Total Build Cost | 85,000 | |
| Equipment | | |
| Oven | 2,400 | Ace Mart Restaurant Supply |
| Proofer | 2,000 | Ace Mart Restaurant Supply |
| Showcase | 560 | Ace Mart Restaurant Supply |
| Refrigerator | 2,600 | Sears Canada |
| Freezer | 750 | Sears Canada |
| Used Mixers 20 qt | 3,200 | Nicholson Equipment Ltd. |
| Shelves/dollies | 525 | Ace Mart Restaurant Supply |
| Additional equipment | 5,000 | |
| Furniture | 640 | Ace Mart Restaurant Supply |
| Total Equip. Costs | 17,600 | |
| Total Working Capital | 1200 | Monthly requirements for capital* |
| Total Capital Required | 103,800 | |

| Cost of Goods to be Manufactured | 2015 |
|----------------------------------|-----------------|
| | |
| Total Direct Labor | \$30,500 |
| Total Direct Materials | \$16,700 |
| Manufacturing Overhead | \$10,440 |
| | |
| total | \$57,640 |

Inventories

- ✓ Desired inventory = 0
- ✓ Average days for inventories
 - Raw material inventory = 30 days
 - Finished goods inventory = 2 days

Accounts Receivable/Payable

✓ RECEIVABLES

- From Bulk Cheese Warehouse and SaskMade Marketplace
- Have 30 days from the date of billing to pay
- No discounts offered

✓ PAYABLES

- SaskPower, and SaskTel
- Have 21-day grace period

Administration, Marketing, and General Expenses

- ✓ Accounting
- ✓ Bookkeeping
- ✓ Management
- ✓ Fuel for delivery
- ✓ Benefits
- ✓ Income tax
- ✓ Interest on debt
- ✓ Marketing

HUMAN RESOURCES



Superb
Custom writing

President/Manager

✓ RESPONSIBILITIES

- Daily production overseeing
- Work schedules
- Assigning employee tasks
- Traveling
- Product quality ensuring
- Raw materials purchasing
- Keeping the facility clean and running
- Accounting Duties

Head Baker

✓ RESPONSIBILITIES

- Working long hours
- Ability to follow recipes
- Ability to produce quality product
- Ability to use ovens and mixers
- Dishwashing and janitorial skills

Assistant Baker/Waitress

✓ RESPONSIBILITIES

- Assisting in baking
- Operating cash register and serving customers
- Dishwashing, and basic janitorial skills

Delivery Persons

✓ RESPONSIBILITIES

- Delivering of product to Bulk Cheese Warehouse & SaskMade Marketplace
- Delivering of products and work at the Farmers' Markets in Saskatoon, Melfort, and Wakaw

MARKETING PLAN



Superb
Custom writin

The Marketing Mix

✓ PRODUCTS/SERVICES

- Bread – the various varieties
- Buns
- Tarts
- Muffins
- Cookies
- Sitting area with coffee/tea and in-store products

Marketing Mix

✓ PRICE

- High but still competitive

✓ PROMOTION

- Fresh, homemade, good quality, down home farm feel

✓ PLACE

- Wakaw, Saskatoon, Melfort

Segmentation, Targeting, and Positioning

- ✓ Population of Saskatoon and rural and urban centers of Wakaw and Melfort
- ✓ **TARGET MARKETS**
 - Saskatoon
 - Rural/small centers
 - The Country Oven
- ✓ **POSITIONING**
 - Bulk Cheese Warehouse/
SaskMade Marketplace
 - Farmers' markets

SWOT Analysis

✓ INTERNAL STRENGTHS

- Family business
- Location
- Homemade recipes

✓ INTERNAL WEAKNESSES

- Location
- Inexperience
- Increased prices

SWOT

- ✓ **EXTERNAL OPPORTUNITIES**
 - Desire for healthier lifestyle
 - Niche market in urban areas
 - Large target market area
- ✓ **EXTERNAL THREATS**
 - Change in lifestyle trends
 - Increased fuel prices
 - Competitors having lower prices

| Competition | Prices | Edge |
|----------------------------|---------------|---|
| Country Crossroads | Very High | • located just off Highway 41 |
| | | • many services; gas bar/ Subway/c-store/restaurant |
| | | • make product from scratch and Ready-made |
| Wakaw Fine Foods | Very Low | • use pre-mixed frozen dough, which cuts costs |
| | | • located in downtown Wakaw |
| Melfort Co-op | Very Low | • located right in co-op grocery store |
| | | • very wide variety of products |
| Golden Grain Bakery | Average | • viewpoint of customers is very positive |
| | | • charge more for individual items |
| | | • is a café/bakery |
| | | • located in the city of Melfort |
| Farmer's Market | Average- high | • located in downtown |
| | | • charge more for individual items |
| | | • large number of customers |
| | | • wide variety of products |

Compared To

| The Bakery | Products | Prices | Edge |
|------------|----------|--------|--|
| Bread/loaf | Bread | High | <ul style="list-style-type: none">• brand new facilities |
| Buns/dz | Buns | | <ul style="list-style-type: none">• products made from scratch |
| Other | Muffins | | <ul style="list-style-type: none">• family owned/operated |
| | Tarts | | <ul style="list-style-type: none">• is a café/bakery |
| | Cookies | | |

Sales and Profit Objectives

- ✓ 26,300 units & 3 farmers' markets
- ✓ 6,200 units & SaskMade and Bulk Cheese Warehouse
- ✓ 5,000 units at Country Oven
- ✓ Objective: achieve a yearly revenue of \$121,500

Marketing Plan Budget

| Marketing Budget | |
|----------------------------------|---------------|
| Advertising | Expenses/year |
| Newspaper | |
| Western Producer | \$400 |
| Other | |
| Billboard | \$100 |
| Bulletin | \$60 |
| Promotion and Development | |
| Business cards | \$90 |
| Travel expenses | \$200 |
| | |
| Total Marketing Expenses | \$850 |

Blue Ocean Strategy Innovations

- ✓ Brand-new recipes of bread, cookies, cakes, and chocolates that can be ordered or developed by experienced cookers (spicy bread, spicy chocolate)
- ✓ Fresh delivery on demand, a small coffee-shop at the bakery, where customers can try various kinds of bakery before they buy it to take and share with friends and relatives