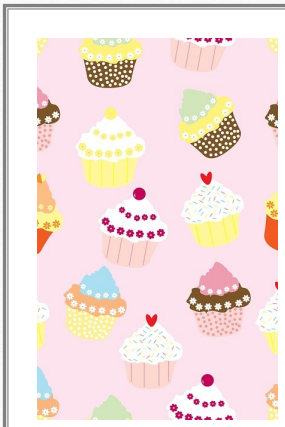


# Business Plan
# Lory's Sweets LTD

**GROUP 4**
**MAE**
**BMSW4006**
**UWTSD**



## Group 4

| | |
|---|---|
| Loredana Roman | (1919227) |
| Mihai Ciocan | (1919225) |
| Ramona Kerekes | (1919040) |
| Razvan Oprea | (1919006) |
| Zlatina Tyulyusheva | (1919008) |



# Table of Content


- Company Overview
- Vision and Mission of Lory's Sweets Ltd.
- Products and Services
- Market Audit
- Marketing plan and strategy
- Management and operation
- Financial Plan
- Conclusion




## COMPANY OVERVIEW

- Baking from home family business in Milton Keynes
- Traditional Romanian deserts as well as classic and custom-made cakes
- Local products and quality ingredients to the highest hygiene standards.
- Limited company and operates with two employees and one manager with 20 years baking experience between themselves.
- Expand in the next 5 years and open a café with dine in space.




- Fresh, homemade cakes and sweets prepared with high quality ingredients at competitive prices
- Excellent service from taking the order to delivering the product
- Served friendly and professional




- *To be recognized as a family business that continuously invests in the future through the development of its own people, equipment and processes.*
- *To become an established cake and sweets brand known for the fresh and delicious quality products.*



# PRODUCTS AND SERVICES

Business : Lory's Sweets Ltd

By: Loredana Maria Roman (1919227)

## Product and Service Description



Anniversary cakes
From 15£/kg



Macarons
1,40£ each



Eclairs
From 0.80£ each



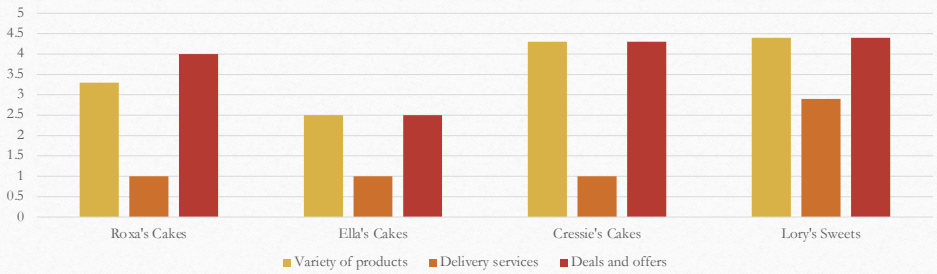
Cupcakes
From 1£



Romanian deserts
From 1.5£

- Home-made cakes using local and high-quality ingredients, respecting hygiene standards
- Cakes available to order by phone or online
- Personalised anniversary cakes
- Large selection of Romanian and English cakes and deserts with unique flavour
- We offer delivery service

# Competitors




# ADVANTAGES AND STRATEGY

- Offering products that competitors do not sell
- Offering delivery and opportunity to order online
- Using local products and high-quality ingredients
- Organize a cake-tasting party to promote our cakes
- Online games









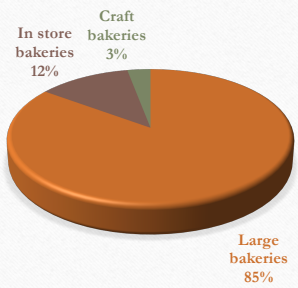




# Market Audit

By: Mihai Ciocan

(1919225)




# Market Analysis

- **The UK Bakery market is worth £3.9 billion and is one of the largest markets in the food industry***
- **Only 5% of the food to go industry**
- **Sales up with 6% for 2019**
- **2.2% more visits for 2019**
- **Lory's Sweets Ltd is a craft bakery**

* According to *Federation of Bakers (2020)*

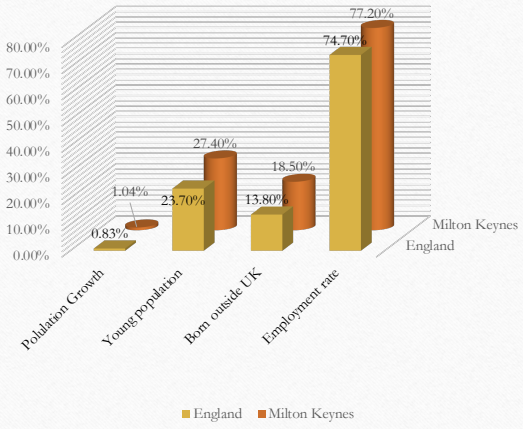
# Market Trends

- Industry growth by 2% each year
- Handmade cakes preferred to mass produced cakes
- Customers have high expectations
- Environmentally friendly

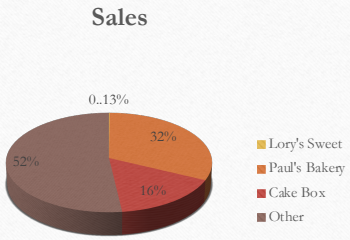
## Why Milton Keynes

**Fastest growing city for 2019** based on a combination of population, growth in economic output and commercial property rental data.*

* According to a research by Lambert Smith Hampton (LSH)



# Market Share




- There are about **4,500 small craft** bakeries in the UK
- Approximately **27,000 people** currently working in the bakery Industry
- The UK market for retail bakery products is **growing at 2% per annum**
- **5% rise for artisan products**

***(Craft Bakers Association, 2014)***

# Competition

Our main competitors are:

- Supermarkets (Sainsbury's, Tesco, Waitrose, M&S, etc.)
- Coffee shops (Costa, Nero, Starbucks, Greggs)
- Cake shops (Patisserie Valerie)
- Other family-owned cake shops and bakeries






# Marketing Strategy

By: **Zlatina Tyulyusheva**

(1919008)

# Marketing Strategy

THE MARKETING MIX




**UNIQUE SELLING POINT**

***Homemade sweets and cakes**

***Traditional*Custom made *Gluten free and vegan**

**Fresh produce from local farms**

**Special deals and promotions**

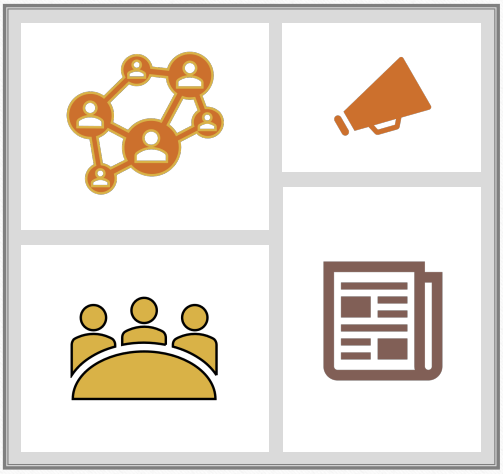
**Opening campaign*Loyalty cards*20% off**

**Home delivery- free over £20**



# Target Market

- Families
- Beautician salons
- Local Eastern European shops
- Business offices
- Factory workers



# Marketing Communication

- **Word of mouth**
- **Local community events and cafes**
- **Social media**
- **E-mail**
- **Website**
- **Local newspaper**
- **YouTube channel**
- **Loyalty program**

# SWOT Analysis

**S**
- Quality products
- Different variety of products
- Delivery

**W**
- New business
- Limited budget
- Not experienced

**O**
- New markets
- New products
- Expand to a café

**T**
- The Competition
- Covid-19
- Brexit

# Proposed Business Strategy




**Marketing and Sales**
- Acquiring customers
- USP
- Pricing strategy

**Product Development**
- Product variety
- Expanding to a café in year 4

**Customer Service**
- Retaining customers
- Customer feedback system

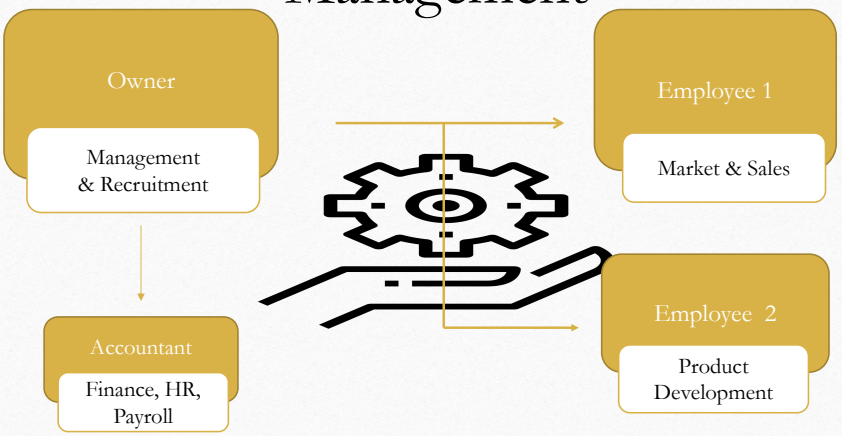
**Sustainability**
- CSR
- Lower carbon footprint
- Plastic free
- Recycle and donate



# Management and Organisation

**By: Ramona Kerekes (1919040)**

## Management



# Marketing and Sales

- Streamline Ordering
- Advertising through social media channels
- Tempting offerings that keep people coming back
- Discounts, deals and loyalty cards







## General Management &Administration

- Develop a comprehensive company budget and perform periodic budget analyses
- HR -Recruit and train new employees
- Making sure the company has enough resources such working material and equipment

## Administrative accounting/ Finance

- Payroll
- Bookkeeper
- Reports on costs
- Productivity
- Tax reporting



# Financial Plan
# Lory's Sweets LTD

By: Razvan-Alexandru Oprea

(1919006)

**Equipment and license cost**

Personal Budget
£6 000

| | |
|---|---|
| Fridge | £ 800 |
| Oven | £ 800 |
| Mixers | £ 500 |
| Baking Trays | £ 200 |
| Decorating equipment | £ 200 |
| Kitchen Furniture | £ 1000 |
| Store-room set up | £ 500 |
| Cooking accessories | £ 400 |
| License | £ 600 |
| **Total** | **£ 5000** |

# Fixed and Variable costs

| Fixed cost | Details | £ per month |
|---|---|---|
| Rent | *Mortgage* | 800 |
| Advertising | *Website, newspaper* | 100 |
| Promotion materials | *Business cards, leaflets* | 50 |
| Salary | *3 x £16k per year* | 4 000 |
| **Total F costs** | | **4 950** |

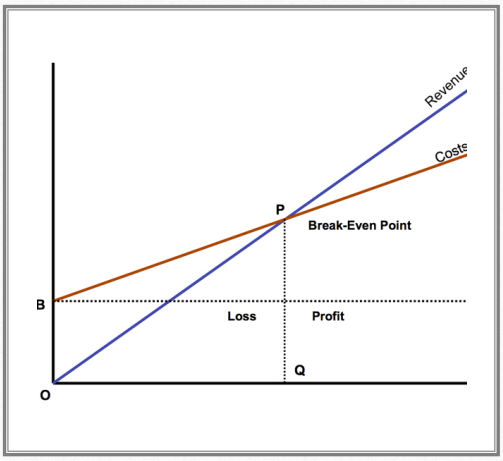
| Variable cost | £ per kg |
|---|---|
| Packaging | 0.66 |
| Gas/El/Water | 0.57 |
| Ingredients | 3.45 |
| **Total V cost** | **4.88** |

# Profit and Loss

| Output (kg) | Fixed Cost (£) | Variable cost (£) | Total (£) | Sales (£) | Profit/Loss (£) |
|---|---|---|---|---|---|
| 0 | 4950 | 0 | 4950 | 0 | -4950 |
| 100 | 4950 | 488 | 5438 | 1500 | -3938 |
| 200 | 4950 | 976 | 5926 | 3000 | -2926 |
| 489 | 4950 | 2386 | 7336 | 7336 | 0 |
| **490** | **4950** | **2391** | **7341** | **7350** | **9** |
| 500 | 4950 | 2440 | 7390 | 7500 | 110 |
| 600 | 4950 | 2928 | 7878 | 9000 | 1122 |

# Sales Forecast

| Item | Sold/month | Price per item (£) | Total per month (£) |
|---|---|---|---|
| Anniversary cakes | 180 | 60 | 10 800 |
| Macaroons | 500 | 1.40 | 700 |
| Romanian Desserts | 500 | 1.50 | 750 |
| Éclair | 600 | 0.80 | 480 |
| Cupcakes | 200 | 1,00 | 200 |
| | | | 12 930 |




# A break-even analysis

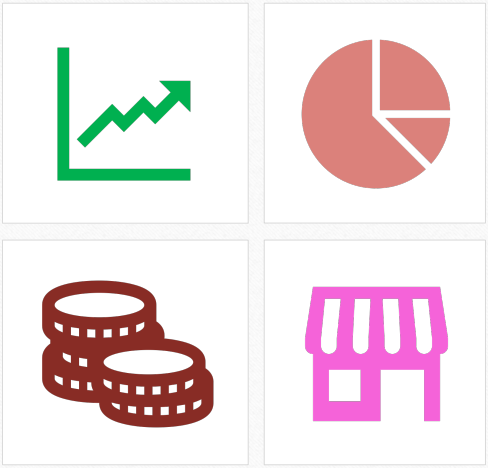
The Analysis shows that Lory's sweets needs to sell about 244 cakes in order to break even before start making profit. The marketing analysis earlier confirm this is feasible.

# Financial Statement

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Revenue | 155 160 | 158 263 (2%) | 166 176 (5%) | 176 147 (6%) | 190 239 (8%) |
| Cost of Goods sold | 88 680 | 90 099 (1.6%) | 91 630 (1.7%) | 93 372 (1.9%) | 95 239 (2%) |
| **Gross profit** | **66 480** | **68 164** | **74 546** | **82 775** | **95 000** |
| **Expenses** | | | | | |
| Marketing, Advertising and promotion | 1 800 | 1 560 | 1 560 | 2 200 | 2 000 |
| Rent and Overhead | 9 600 | 9 600 | 9 800 | 9 800 | 10 000 |
| General and administrative | 48 000 | 48 000 | 50 400 | 52 920 | 55 566 |
| Interest 4%- business Loan in year 4 £20 000 | | | | 800 | 800 |
| **Total Expense** | **59 400** | **59 160** | **61 760** | **65 720** | **68 366** |
| Earnings before tax | 7 080 | 9 004 | 12 786 | 17 055 | 26 634 |
| Taxes | 1 345 | 1 710 | 2 429 | 3 240 | 5 060 |
| **Net earnings** | **5 735** | **7 294** | **10 357** | **13 815** | **21 574** |

# CONCLUSION

- Confidence in *Lory's sweets LTD* products and services
- Favorable business environment in Milton Keynes
- Achievable marketing share
- Optimistic financial plan
- New opportunities – products and expansion



# Reference List


- Adesilu, S., 2020. *Bakerdays sees online cake trade double in lockdown.* [Online]
  Available at: https://bakeryinfo.co.uk/news/bakery-expands-cake-business-as-sales-rise-amid-lockdown/645671.article
  [Accessed December 2020].
- Boyce, P., 2020. *Pestle analysis definiton and template.* [Online]
  Available at: https://boycewire.com/pestle-analysis-definition-and-template/
  [Accessed December 2020].
- *Craft Bakers Association, 2020. [*Online]
  Available at: https://www.craftbakersassociation.co.uk/about/market-information/
  [Accessed 06 December 2020].

[Accessed 11 December 2020].

- Clark, D., 2020. *CPI rate forecast UK 2015-2025.* [Online]
  Available at: CPI rate forecast UK 2015-2025
  [Accessed December 2020].
- Federation of bakers, 2020. *About the bread industry.* [Online]
  Available at: https://www.fob.uk.com/about-the-bread-industry/industry-facts/uk-bread-market/
- Hyslop, G., 2020. *Facts and figures: The UK craft bakery sector versus coronavirus lockdown.* [Online]
  Available at: https://www.bakeryandsnacks.com/Article/2020/07/01/Facts-and-figures-The-UK-craft-bakery-sector-versus-coronavirus-lockdown
  [Accessed December 2020].


Q
A

University of Wales
Trinity Saint David
LONDON

**MANAGING ENTERPRISE IN 21ST CENTURY**
**UWTSD**
**BMSW 4006**
**Lecturer: Dr Akinseye Aluko**

# LORY'S SWEETS LTD

# BUSINESS PLAN

**BY GROUP 4:**
**Loredana Roman (1919227)**
**Mihai Ciocan (1919225)**
**Ramona Kerekes (1919040)**
**Razvan Oprea (1919006)**
**Zlatina Tyulyusheva (1919008)**

## Student 1: Zlatina Tyulyusheva, Student ID 1919008

## Executive Summary

Lory's Sweets Ltd is a baking from home business, located in Milton Keynes and scheduled to start operating in early 2021. It will start with an investment of £6 000 own money, and in year 4 there is an expansion planned to a café, and for that purpose a bank loan of £ 20 000 will be needed. There are 4 members of staff- the main baker, general operative, production manager and delivery driver sharing 20 years of experience between themselves. Employee 1 will deal with marketing and sales, Employee 2 will be responsible for product development, the owner will look after finance, general management, recruitment and HR. The accountancy and most of the administrative tasks will be outsourced to a professional firm. The business will offer exclusive products not available from the competitors, made to the highest quality using fresh and local produce through collaboration with local farms. Main products will be anniversary cakes, macarons, Pavlova. Additional products are éclair, cupcakes and Romanian/ Eastern European desserts. Lory's Sweets Ltd will also offer competitive delivery service. Main target market are Eastern Europeans, families, offices and beautician saloons. The competition does not offer many of the products Lory's Sweets Ltd will be developing. The marketing strategy is based on the 4 Ps- product, price, promotion and place and will be using offers and deals to attract and retain customers.

**Aims, objectives and vision**

The aim of this enterprise is to establish self-sufficient business with a profit of £ 25 000 in the first year and by this becoming the main income source for the owner and her family. The 5 years projection is for renting bigger space, develop more products, open dine-in space and collaboration with most of the local shops.

# Table of Contents


STUDENT 1: ZLATINA TYULYUSHEVA, STUDENT ID 1919008 ..... 20

EXECUTIVE SUMMARY ..... 20

STUDENT 2: LOREDANA MARIA ROMAN, STUDENT ID 1919227 ..... 22

1. COMPANY OVERVIEW ..... 22

1. VISION AND MISSION OF LORY'S SWEETS LTD ..... 24

2. PRODUCT AND SERVICES ..... 24

3. ADVANTAGES AND STRATEGIES ..... 28

STUDENT 3: MIHAI CIOCAN, STUDENT ID 1919225 ..... 30

5. MARKET AUDIT ..... 30

5.1 Market Analysis ..... 30
5.2 Market Trends ..... 32

4. LOCATION- WHY MILTON KEYNES ..... 34

5. COMPETITION ..... 35

STUDENT 1: ZLATINA TYULYUSHEVA, STUDENT ID 1919008 ..... 38

6. MARKETING STRATEGY ..... 38

7. TARGET MARKET ..... 39

8. MARKETING PLAN AND MARKETING COMMUNICATION ..... 40

9. SWOT ANALYSIS ..... 42

10. PROPOSED BUSINESS STRATEGY ..... 44

STUDENT 4: RAMONA KEREKES, STUDENT ID 1919040 ..... 46

11. MANAGEMENT ..... 46

12. ORGANISATIONAL STRUCTURE ..... 47

12.1. Qualities of a Simple Organisational Structure ..... 47
12.2. Shortcomings of a Simple Organisational Structure ..... 48
15. Departments ..... 48
15.1. Entrepreneur obligations ..... 48
15.2. HR Department ..... 49
15.3 Client support Representative ..... 49
15.4 Actualizing Marketing Strategies ..... 50
15.5 Inhabitant Technology Expert ..... 50

STUDENT 5: RAZVAN OPREA, STUDENT ID (1919006) ..... 52

16. FINANCIAL PLAN ..... 52

16.1. Equipment and licensing cost ..... 52
16.2. Fixed and Variable costs ..... 53
16.3. Profit and Loss ..... 53
16.4. Sales Forecast ..... 54
16.5. Break even analysis ..... 55

STUDENT 1: ZLATINA TYULYUSHEVA, STUDENT ID 1919008 ..... 55

17. FINANCIAL STATEMENT ..... 55

18. CONCLUSION ..... 57

REFERENCE LIST ..... 58

## Student 2: Loredana Maria Roman, Student ID 1919227

### 1. Company overview

The name of the company will be Lory's Sweets and in the beginning it will be a baking from home family business, which will operate as LTD (Limited Company). Our business will be located in Milton Keynes, our services will cover the whole city, with five miles range around.

Our business will operate five days a week from Wednesday to Sunday, as a full-time business. The operating hours will be from 8:00 am to 1:00 pm and 3:00 pm to 7:00 pm Wednesday to Friday and 9:00 am to 5:00 pm on Saturday and Sunday. The business will be closed on Monday and Tuesday following the government rules and ensuring two days off per week for the personnel. The nature of the company is baking from home business, offering a large variety of products and services to the customers.

By being organised, be consent of the risks and rewards, safely storing detailed records, giving enough attention to the competition, and bringing the best services to our customers, we will ensure a smooth process in reaching our targets (Seabury, 2020). The company staff is sharing twenty years of baking experience between themselves. The production manager already hired has five years of experience gained in a cake factory managing the production lines. A general operative has fifteen years of baking experience in cakes production and the delivery driver with three years' experience in marketing and sales.

Our company is special and different from the competitors because we offer services that none of them does. We offer delivery services, we use local products and highest hygiene standards, we offer extremely tasty products like "Macarons", and "Pavlova".

The start financial status of the business will be 6000£ which will mainly cover the equipment and marketing.

The business will have an LTD structure as it is a small family business run from home and this will allow our company to retain profits, protect our brand, and claim back the business expenses.

To ensure the success of the business we will have to stay alert all the time and keep under control the prices of our products to ensure the profit. We will have to focus on our customers and show them we are the best, among the first offering best products and services. We will have to keep a continuous improvement in our products and services to keep our customers happy and achieve the targets set-up within the time frame (Furgison, n.d.)

Our business will follow the copyright rules, and we will be registered on GOV as a trademark. We will inform our customers that we are not copying other artists' work, however, we can work through the costumer's ideas and make unique cakes at their wishes. By doing this we will ensure we are not copying other trademarks and we will comply with the copyright rules by ensuring our products are unique. At the same time, we will have to assure that clear evidence of our unique products is safely stored before being sold and keep our ideas safe under copyright rules (Bromley, 2018).

Before opening up the business we will need to register our company to GOV as a food business, also inform our mortgaged lender, and contact our local council to obtain the right licenses.

We will make sure every employee has Level 2 Food Quality Qualification and assure they know how to store safely the ingredients (Mark, 2017).

## 1. Vision and mission of Lory's sweets Ltd

The mission of our company is to provide the best products and services to our customers with fresh and delicious home-made cakes by using high-quality ingredients to the highest hygiene standards at competitive prices. By keeping our customers happy we will assure a stabile production, which will secure a stable profit.

The vision of our family business is to be recognized as a company that keeps investing in staff, equipment, and processes, and also to be known for our quality products. As a company, we plan to expand our business in five year, we plan in year four open a café with a dine-in space.

## 2. Product and services

In our company, we will focus on products and service development to keep our regular customers happy and at the same time gaining more clients. We will develop a large variety of products. As a result of many pieces of research completed on social media groups from Milton Keynes, we found that within this area two delicious cakes are missing from the market, such as Pavlova originally from Australia, and Macarons from France. There are many potential customers asking for these products on social media groups. We can use this as an advantage in front of our competitors. At the same time, none of our competitors are offering the delivery services which is an important feature of our times. We will also provide usual home-made cakes by using local and high-quality ingredients respecting the hygiene standards. Other products offered will be cupcakes, eclairs, anniversary cakes, and Romanian deserts with unique flavours.

Our production is not going to be limited to the above standard cakes, but also, we will personalize cakes at the costumers wish.

We look forward to supporting local farms by obtaining contracts with them, to use fresh raw ingredients like milk, eggs, fruits, jam, and cottage cheese. The rest of the ingredients from chocolate, sugar, flavours, baking powder to natural flavours will be acquired from supermarkets (Macro, Costco, etc.).

Our company will benefit from a well-maintained website where the customers can upload the description of the desired cake with pictures and comments. The orders can also be placed by phone, and most importantly, we will offer delivery service which none of our competitors in the area is providing.

In the future, we are planning to expand our production and start baking Vegan products, upon the customer request. We will start by baking some Vegan products and selling them for a small fee, collecting feedback from the customers.

After completing a research on social media groups about the population of Milton Keynes we have concluded that a considerable number of Romanian people ale leaving within this area. Therefore, we have in our menu Romanian traditional cakes which will be acquired by this community. Most of them will be more than happy to buy some traditional cakes that will remind them of the place where they grow up. We will also bake this product in a gluten-free version. The prices for this product will be very competitive and will start from £ 1.5 per each cake only. The prices will be reduced to £ 1.2 for orders over 10 pieces or having two cakes for free for every 10 cakes acquired.

We also have in our menu**,** cupcakes, which are originally from the United States. The people in Milton Keynes are in love with this product. The sales of the cupcakes are going very well in Milton Keynes according to the research completed on social media groups from this area. Therefore, the prices for our delicious cupcakes will start from just £1 each, and discounted to 90p each for orders above ten, or having two for free to every 10 cupcakes acquired. We will also bake this product in a gluten-free version.

**Anniversary cakes**

The prices for our tasty anniversary cakes will start from just 15£ per kg. An attractive deal that comes with our anniversary cakes is that we will give 10 cupcakes for free for orders weighing over 5 kg. We will also bake this product in a gluten-free version.

We also have in our menu Macarons, cakes that are originally from France, and Pavlova which are originally from Australia. The demand for these cakes is very high in Milton Keynes and none of my competitors is producing them, which again, will be a good strategy to make our business successful. The price for macaron**s** will start from £1.4 each, and we will have a discount, for orders over twenty the price will drop to £1.3 each or five macarons for free for every 20 Macarons acquired. At the same time, the prices for Pavlova will start from £1.5 each and the price will drop to £ 1.4 each for orders over 10 pieces or 2 for free on every 10 Pavlova cakes acquired.

**Eclairs**

This product, originally from France, is easy and cheap to make. The request for the Eclairs in Milton Keynes is also very high, therefore the quality ingredients and the taste of the eclairs that we will produce will make the difference between us and our competitors. The prices for the Eclairs will start from 80p each and for every 4 eclairs acquired we will offer one for free.

Our production will be strictly under control, to avoid the waste of ingredients. Therefore, we will not bake cakes for the stock, all the cakes will be baked only after the order has been placed. The orders will be collected minimum one day before to allow us enough time to buy the short shelf-life ingredients like fruits, milk, wiping cream, and eggs. As a result, the customer will always enjoy the freshness of the finished product. However, this will not stop us to follow the discounts and buy at competitive prices, the ingredients with a long shelf life as chocolate, flour, butter, sugar, baking powder, etc.

**Analyse competitor's product and services**

In line with the results recorded in Figure 1, we can say that all my competitors have a good variety of products on their menu, but they don't have as many as we do. Having some extra products like Romanian Deserts, Macarons, and Pavlova, products that are very well searched on social media groups, will be another advantage for our company.

Regarding the delivery services, as we can see in the graphic in Figure 1, my competitors are not providing enough delivery services in terms of coverage. All of them are offering delivery service only on a range of 2 miles from Milton Keynes city centre when we will be covering the whole Milton Keynes and a range of 5 miles around the city.

**Figure 1.**

**Competition analysis**

Also, if we look at the deals and offers bar from Figure 1, we can conclude that deals and offers are key points for all my competitors. They all have competitive deals and offers like discounted prices and free delivery over £100. Therefore, we will come with something better, we will offer delivery services for orders over £70, we will offer extra free cakes depending on the order, we will organise online games on our website with attractive rewards. Our online orders mixed with delivery services will sound very attractive to our customers.

## 3. Advantages and Strategies

One of our biggest advantages is that our delivery services will cover Milton Keynes plus five miles radius around the city. The key point for this service is that we offer free delivery for each customer on the first order, and this will be a good strategy not only to expand our numbers of costumers but also to dominate the competition.

Another advantage that will keep our business on the top is that we will be the only business in the area baking range of products like traditional Romanian desserts, pavlova, and macarons.

The online orders will be as well a good advantage and we intend to achieve that by building a professional website with a large gallery with pictures and ideas, where the customer not only will be able to place the order and make a payment , but they will be also able to track their order. They will be able to see how long will take to bake the products, but also, they will see the delivery driver on the real-time map.

Using local farms fresh ingredients can be an advantage too, due to the unique flavours, freshness, taste. At the same time, this can be one of our disadvantages, as the prices for the fresh ingredients are usually higher than the prices from the supermarket ingredients.

Other disadvantages for our company will be that our competitors will have their regular customers already, and we are a new business. That is where we are coming with extra products and services (Haag, 2013).

## Student 3: Mihai Ciocan, Student ID 1919225

# 5. Market Audit

## 5.1 Market Analysis

The UK Bakery market is worth £3.9 billion and is one of the largest markets in the food industry (Federation of Bakers, 2020). As presented on Figure 2. the biggest market share of 85% goes to the large baking companies, the craft bakeries share of 3% is being decreased by the in-store bakeries (12%) and many of them focus on catering and take away or supplying the chains with home-made production and that is Lory's Sweets Ltd., being a craft bakery, plan as well.

**Figure 2.**

Market share by Volume according to *Federation of Bakers (2020)*

According to a report published by NPD Group in June 2019 bakeries are representing just £1.2 billion (5%) of Britain's £22.5 billion food-to-go business annually, up from £1 billion five years ago which means there is a huge potential for growth. Lory's sweet will offer take away option once the café is open. Bakery shops increased sales by 6% in the year ending April 2019 and had 2,2% rise in the visits, leaving behind pizza and chicken, which saw decrease in visits (NPD Group, 2019).

Since the television baking show "The Great British Bake Off" became so popular, baking appeals to younger audience more than ever. According to The NPD Group (2019) visits to bakeries by 50+ increased by 15% in 2019 and were the fastest growing sector among the 50+ and the second fastest for 16-to24 years old.

The British bakery shops and craft bakeries have realistic chance to extend their services and compete with the bigger companies for a larger market share of the take away food, click& collect and delivery network (The NPD Group, 2019).

According to Linden (2019 cited by NPD Group, 2019) there is a room for growth in the take away sector, where bakeries take just 5% and more bakery businesses are rebranding and adding new products like hot drinks, pizzas and sandwiches.

The whole industry, as well as every single business in the world, is currently hit by the global Covid-19 pandemic. However, the results and prognosis for the bakery industry are very optimistic. A research published in June 2020 by the Craft Bakeries Association (CBA) (Hyslop, 2020) reveals that the UK segment is adjusting very well to the challenging situation and the

changes following. It shows that 63 % of the bakeries remained open for the first 10 weeks since the pandemic hit, and already 94% re-opened or a planning to open with immediate effect. Many of the participants in the survey shared new approaches they had to adopt in order to deliver their products to their customers while following the guidelines from the government (Hyslop, 2020):

- 68% offered a takeaway service for customers during lockdown
- 55% offered home delivery to those in the community who need it
- 45% made changes to their payment system, following the advice for payments to be made using cards rather than cash.

Nearly 50% of the bakeries added new products to their catalogue during lockdown, 33% reported producing more than before.

Overall, the survey by CBA shows that being flexible, resilient and innovative are vital abilities in order not only to survive but also to be successful.

### 5.2 Market Trends

The UK customer loves sweets however they have high expectations. A lot of attention goes on freshness, quality and natural ingredients. Handmade cakes are preferred which means mass produced cakes dropped down in sales. This is also in our favour as *Lory's sweets* products will be baked fresh every day. According to Dinkovski (2019) the industry is becoming more challenging due to the demand for healthier options and nothing artificial as an ingredient. He also highlights the recent trend of savoury pastries- another product *Lory's*

*Sweets* Ltd is looking to add to its catalogue. Furthermore, he observed the trend of increasing in sales of classic recipes with a modern touch as well as innovations introducing bold and interesting flavours.

Below are some of the marketing trends in recent years in the baking industry according to a recent research published on MarketingDonut (2019):

- The bakery industry sees increase in take away, higher interest in artisan products, more demand for sweet bakery snacks- for example tea cakes, scones, etc
- Large family sized cakes are losing popularity in comparison to smaller items like cupcakes; most of the stores have now in-store bakeries
- Very interesting tendency is decrease in the number of independent bakeries
- The high labour cost and wheat prices increased the overall cost bakeries experience.
- Popular diets like Atkins and Dukan also affect the consumers trends.
- Customers are becoming more aware of ingredients in their food and there is a demand.
- The supermarkets are dominating the market by having their products baked at low price, launching in- store bakeries and following the recent trends by offering “free from” range.

Lory’s sweets Ltd. will follow the above trends and meet the demand by:

- Offering variety of products to be able to compete with the supermarkets
- Our research shows that there is demand in the area for custom made cakes and the projection is for enough customers

- The local economy is strong, we expect customers to buy our products
- Lory's sweets will follow the take away trend which most probably will retain in the light of the Covid-19 pandemic and will develop in that direction by opening a café in Year 4 (2024).
- The most important tendency is that customers are after good value products and we will be ready to respond by lowering the prices and offering promotions and deals

## 4. Location- Why Milton Keynes

According to a research conducted by Lambert Smith Hampton (2019), Milton Keynes is the fastest growing city for 2019 ''based on population, growth in economic output and commercial property rental data''. According to the statistics published on the city's council website (Milton Keynes Council, 2020) as resented in Figure 3, its population of about 230 000 people increased by 1.04% compared to 0.83% for England. It also has a younger population as a whole -27.4% compared with 23.7% in England (2019 figures)-the average age is 36 years old. According to Milton Keynes Employment report published January 2019 the employment rate has been on the rise since 2013 with a minor drop in 2016 but increased again in 2017 and is above the national (UK) -77.2% whereas UK has 74.7%. Milton Keynes is vibrant and multicultural city- only 37.78% of the locals were born in England. Some even compare it to London because of its diversity. According to a research published by Barbiroglio (2019) actually Milton Keynes is the fastest growing city in UK for 2017, taking over from Cambridge. According to Neufiled (2017, cited in Barbiroglio, 2019) explains the thriving of the city with the successful collaboration between the government and the private sector in the city aimed at research, technological progress and IT development. He also suggests that

important part plays the location of Milton Keynes being close to the university towns of Cambridge and Oxford, and the two biggest cities in UK- London and Birmingham.

**Figure 3.**

Milton Keynes Council Census 2011 (2020)

## 5. Competition

*Lory's sweets Ltd* is a craft bakery, and as such aims for a share at a market that takes only 3% of the baking industry, as presented in Figure 4.

**Figure 4**

Lory's Sweets Ltd Market Share

There are about 4 500 small bakeries in the UK, with a rise of 2% every year with 5% for artisan products and around 27 000 people are currently employed in the industry (Craft Bakers Association, 2014). Our main competitors from the bakery industries are the supermarkets like Tesco, Sainsbury's, Morrisons, M&S and Waitrose, as well as the take away giants like Greggs and coffe shops – for example Costa coffee, Nero and Starbucks. The main direct competitors to *Lory's Sweets Ltd* are:

**Bakery and Cafe Paul UK**

Bakery and café Paul UK offer take away sandwiches, hot drinks as well as pastries- something Lorry's Swets Ltd is looking to realise with opening the café in Year 4 (2025). Bamford (2019) reports that Paul UK'sturnover has increased by 7.4% (from £ 35.4m in 2017 to 38% in the 2018) and expected further increase for 2019 by 9.5% which is significantly more than the 2% average rise for the industry, which is a clear indicator their business model is working and is another reason for us to implementit take away in near future. He also reveals that one of the reasons for sales increase is the new technology they introduced Paul's UK by unveiling a mobile payment and loyalty application that enables customers to collect reward points and use custom-made offers. This is another important fetaure we will be looking to develop with time and here the experience of the competition and the feedback of customers will be invaluable. Currently the market share of Paul UK is 32%, as presented in Figure 4.

**The Eggless Cake Box**

The other direct competitor for *Lory's Sweets Ltd* is The Cake Box- the company that offers 100% eggless cakes and sweets . As a family business that is looking to meet the demand and

expectations of the fussiest customer we need to be prepared to prepare egless cakes, too. The Cake box was founded in 2008 and it is one of the fastest growingcake shops in the UK – their target is opening about 250 stores in total In 2018 they reported 40% increase in sales and expected 8.3 m for the frst half of the financial year. Their market share in the craft bakery market is 16% with projection for growth.

**Other Family owned businesses**

Being at the very beginning of this exciting business opportunity, it is more realistic to measure ourselves against other small and family owned busineses. Some of our advantages are most of them are selling cakes and the traditional cupcakes and cookies but no European sweets unlike Lory's sweets. Only few offer home deliveries. Considering the current Covid-19 pandemic and the restrictions many outlets need to follow there is a possibility of more businesses than usual to start working from home. In order to be competitive will be constantly improving our products range, maintain high quality and impeccable customer service. However, we are also looking at the competitors as our stakeholders, a source of experience and a way to evaluate the direction our business is going.

As Erdelac (2016) observes, the competition in the bakery industry can be fierce. According to her, offering specialty cakes of high quality, that are unique, healthy and fresh, and also adding new variety and updating the menu often, will give a competitive edge to any bakery. This are some of the strategies Lory's sweets Ltd will be following as well as constantly monitoring the market and competition, considering the trends and meeting the expectations of the customers.

Student 1: Zlatina Tyulyusheva, Student ID 1919008

## 6. Marketing strategy

As a substantial part of our strategy, we are going to rely on the marketing mix or the 4 Ps- product, price, promotion and place focusing on the suitable and well researched target market, because they are affected by exterior and inside dynamics of the business setting as a whole (Twin and Sommer, 2020).

- Unique Selling Point

Our Unique selling point are the traditional desserts we are going to prepare, bake and deliver. We are aiming at the customers who are nostalgic about their homeland by using the slogan taste of Romania at your doorstep. Every single product we will offer will be homemade using local produce to support the local farmers and small business resulting in fresh delicious products. Another unique selling point will be offering custom made cakes. Nowadays there is a lot of demand for gluten free and vegan products and we are determined to meet it. We will also be working with clients to make their vision for celebration cakes reality- that means we are ready to take orders that are not in our existing catalogue.

- Deals and promotions

According to NPD Group (2019) around 1.46 billion visits to bakeries for that year involved a deal or promotion which is 16% increase in comparison to last year. There is no business that does not use deals and/ or promotions. Lory's cake we will rely as well on this marketing tool to attract new customers and build up its regular customer base. It will be especially vital when starting the business to help positioning among the competition and establish itself as one of the serious players in its marketing segment. Some of our ideas below:

- Aggressive opening campaign at half price per kilo sweets
- Hot drink with each slice of cake
- 20% off when whole cake is purchased along with another product
- Free delivery on orders over £20
- Loyalty cards- after 5 visits free slice of cake

## 7. Target Market

Kenton and James (2020) define target market as “potential customers to whom a company wants to sell its products and services”. Our main target groups are:

- Families

Every family has different reasons to celebrate- birthdays, graduations, anniversaries, fests like Christmas, Easter, Diwali to name a few, hen-does. Even the current Covid-19 pandemic does not stop families from celebrating and as a matter of fact, Adesilu (2020) reports of doubling the online orders for family cakes during the pandemic. Cakes are one of our most profitable products and this is another reason to target families because this is the product they would usually purchase.

- Beautician saloons

A research about consumers behaviour in Milton Keynes revealed a recent trend in the beauty industry where the beauty spots offer complimentary cupcakes to the customers along with their drink while waiting. This is also a good opportunity to promote Lory’s Sweets by leaving a business card with each product that the customer takes home and contact or visits us in the future.

- Collaboration with the Eastern European shops

Milton Keynes is similar to London in its diversity and multiculturalism. Our idea is to offer to those away from their countries a sweet taste from home, of course not limited to. Our research shows they are competitors offering Romanian and eastern European products however they lack variety and are missing on the deluxe versions and we are capable of filling that gap in the market with products like Eclairs and Pavlova, which our research as mentioned earlier shows are currently missing on the bakery scene in Milton Keynes.

- Local Businesses

As part of their business culture many companies acknowledge achieving milestones, targets or any success really as well as their employees' birthdays or even last day at work, by ordering a cake. Also, we are available to supply sweets for different functions and corporate events.

- The factories employees

The Lory's sweet shop will be located in the industry area of Milton Keynes. One of our main target groups will be the factory workers buying hot drink and a pastry before their busy shift. Our research shows that even during the Covid-19 Pandemic most of the factories remained open. We will be offering discounts and special offers to all frontline workers.

## 8. Marketing plan and Marketing communication

According to Dragilev (2020) marketing communications strategy focuses on impacting the chosen target groups using various communication channels. Lory's Sweets Ltd will be using classic methods as newspaper advert and word of mouth as well as following the attest

technological and digital trends- for example, social media and digital channels. More details about our marketing communication strategy are described as follows:

- Lory's Sweets Ltd will be relying on the word of mouth because the personal recommendation for a start-up business is very important.
- The business will have a business page on Facebook where everyone could visit, browse the products, contact us and place order.
- We will be targeting Romanian and eastern European groups on Facebook- our research shows that usually that is where this target group of customers would look to purchase their traditional celebratory cakes and sweets and our projection is that most of the income will be from selling the cake products.
- We will also be advertising in local cafes where the above-mentioned groups hang out- by leaving leaflets promoting our products and business cards with contact information and location. We are also intending to cooperate with the cafes to sell our products.
- Another opportunity we will be using that Facebook provides is the local mom's groups because usually mothers would be looking for and purchasing cakes.
- We are very excited about the idea of our own YouTube channel in the near future where we will be able to show the process of making cakes- baking is very popular in UK nowadays and attracts younger people. By introducing the business to such digital channels would appeal to this type of customers.
- We will be using also classic way of advertisement – the local newspaper, until we have a satisfactory customer base. Our intention is to

- We will be providing loyalty program because this proves to be a good approach in creating regular customers

## 9. SWOT Analysis

Mitchell and Scott (2020) define SWOT (abbreviation for Strengths, Weaknesses, Opportunities and Threats ) analysis as a structured charter that support the business in reviewing the organisation's place in the market, its competitive advantages and disadvantages and guides the business in building a successful strategy. Lory's Sweets SWOT analysis is presented in Figure 5.

Figure 5.

**SWOT Analysis Lory's Sweet Ltd**

- Strengths

Lory's Sweets Ltd advantage and strength are the quality products made with fresh produce from scratch, their variety aimed at satisfying the most demanding customers as well as delivery as service offered in comparison to our competitors who either fail to do so or charge too much.

- Weaknesses

As main weaknesses we recognise being a new business in a relatively unfamiliar environment, our limited budget and the little experience of some of the staff members. We are working hard on overcoming these obstacles by constantly researching the trends in

the market and observing the customer behaviour as well as monitoring our competitors and learning from them. We are aware of the limitations f our budget however by careful planning and executing the financial plan we are intending to achieve financial stability and independence. The staff will be trained and every one of the employees will obtain Level 2 in Food Quality Qualification and we will be practising quality control.

- Opportunities

We are very excited about all the opportunities baking from home business offers, we will be constantly updating our catalogue with new products. One of the biggest opportunities for us is expanding to a café in year 4 and we are looking forward to achieving this milestone.

- Threats

As the majority of businesses in UK, if not all of them, Lory's sweets will be affected by Covid-19 (that is why we postponed the start of the business to year 2021) and Brexit. The prognosis for the baking business in terms of Covid-19 so far are optimistic, however we are prepared to invest more than expected to be able to comply with the government guidance in order to ensure safe environment for employees and customers. The main threat concerning Brexit is the uncertainty surrounding the transition, again we will be following the government instructions and adapt to the new conditions. Another threat for us as a small family-owned

business with limited budget is the competition, especially the big chains and established brands. We will be monitoring our competitors and always thrive to be relevant and in demand.

## 10. Proposed Business Strategy

**Sales and Marketing**

One of the pillars for our business operation will be Sales and Marketing strategy by acquiring and keeping customers, promoting and developing our unique selling points- our products, their quality and additional services like delivery. Main strategy in marketing and sales will be our pricing policy- competitive prices, offers and promotions.

**Customer Service**
Our intention is to build a customer base with happy and returning customers who can recommend our business further. Our services will not stop with the delivery. There will be a feedback system in place on our website and we will also be collecting feedback from each client face-to-face.

**Sustainability**
Another important aspect is to introduce environmentally friendly business. We will be:

- Using energy-efficient appliances
- Lower our carbon footprint by buying our products locally and even prepare some of the ingredients ourselves
- Plastic free as possible, use recycled materials and of course recycle as much as possible
- Decrease water usage
- Donate the unsold products to shelters, care homes and local charities

The team behind Lory's Sweets Ltd has a strong believe in Corporate and Social Responsibility (CSR) and we believe this important policy should not be reserved for the corporate companies only. We intend to take part in local community projects for example bake sales and volunteer projects involving all employees.

**Product development**
Our products being unique selling point and main competitive advantage means that we will need to constantly improve, update and thrive for highest quality. We already discovered a marketing niche we are willing to fill- the Eclairs and Pavlova are the two products we have the technology and knowledge to make and that are already in demand. Our products are our mission to provide highest quality at a fair price.

Student 4: Ramona Kerekes, Student ID 1919040

## 11.Management

The board in an association is the framework that blends the works of all connected with representatives to fulfil the feasible destinations. Legitimate utilizing of crude materials, assets, human endeavours and matters of partners is onto the administrative area. Business Communication Management changes all the assets identified with the organisation into required use. The administrative area of any organisation is relied upon to contain six exercises. Those are anticipating, anticipating, arranging, controlling, synchronizing, and overseeing. Just arranging works and attempting to meet points is not just works of a cutting edge the board. Basically, the administration of an organisation needs to keep up the concerned issues of the relative multitude of partners alongside the net revenue (Hill and Jones, 2006).

Circumstance of an association and its connected administrative area are corresponding for itself. The administration of an organisation explores on the significant hypotheses and thinks about contemporary worldwide circumstance. In this manner the administration of the concerned organisation defines objectives and procedures to improve on the lookout. Hierarchical circumstance additionally guides the administration of an association to think on another viewpoint and furthermore to develop strategies to advance the climate, culture, initiative, devotion, liabilities, inspiration, fulfilment, and monetary state of the labour force (Finkelstein et al. 2008).

## 12. Organisational Structure

The straightforward authoritative structure is a level structure comprising of two levels: the laborers and the proprietor supervisor. The entrepreneur administrator is normally an overall manager who assumes a functioning job in each capacity of the business, from deals to bookkeeping. The proprietor's wide range of control mirrors a unified authority whereby the proprietor settles on most of the business choices.

Thusly, the proprietor depends on the organisation's casual connections, as opposed to formal interchanges or arrangements or strategies, to impart his choices to workers. As supervisor, the proprietor likewise makes moves that straightforwardly uphold his business choices. For instance, the proprietor chief rouses the staff, works with representatives to improve their exhibition, and advances or downgrades people. The straightforward structure necessitates that casual business connections and individual business situations — instead of formal strategies or methodology — administer the activities of representatives.

### 12.1. Qualities of a Simple Organisational Structure

The strength of a straightforward authoritative structure is that it empowers an entrepreneur to have tight command over her organisation's activity. No choices are made without her endorsement, and she knows about each significant choice made. There is no delay with respect to workers in a basic structure because their requests come straightforwardly from the top, not a division head or mid-level supervisor a subordinate may address. Organisations settle on choices faster with a basic structure because there are no layers of the board that thoughts or solicitations need to move before endorsement.

## 12.2. Shortcomings of a Simple Organisational Structure

Large numbers of the issues of utilizing a basic authoritative structure rotate around the remaining task at hand of the proprietor, or that of the individual at the top. A proprietor may get overwhelmed with work if he should affirm each choice at an organisation. Organisations that utilization basic authoritative structures, even after they have added numerous representatives with positions regularly do so on the grounds that the proprietor cannot force himself to assign, making staff individuals hang tight for endorsement on activities they are able to take themselves. On the off chance that a proprietor is debilitated, in a gathering or on a work excursion, the whole organisation can get incapacitated, since nobody can push ahead to make the most of a chance or to take care of an issue until the proprietor is accessible once more.

## 15. Departments

Normal pieces of a departmental structure incorporate promoting, money, HR, data innovation, organisation, and creation. A few divisions are subfunctions of others. For instance, the showcasing office may supervise separate deals, publicizing, advertising and advancements capacities or offices. The creation office may supervise assembling, warehousing, and transportation.

## 15.1. Entrepreneur obligations

Entrepreneurs frequently do not have the advantage of employing individuals to play out all the assignments needed to make all the difference for a business. As the proprietor, Lory's obligations are as different as gathering deals charge, making a PC organisation, setting up a

documenting framework and advertising. The owner may be generally excellent at how he deals with make an item or offer an assistance, however maintaining a private company brings an entire scope of different obligations.

As the proprietor, hi is the one to set up a field-tested strategy for organisation, He will utilise showcasing examination to distinguish patterns and possible business sectors for items. If the owner has an on-staff salesman or a maker's agent, hi will give direction and preparing. The owner is taken all the choices, in special presenting another item and venturing into different business sectors.

## 15.2. HR Department

Proprietors of an independent company regularly recruit workers. As the proprietor, you should decide if the business can uphold recently recruited employees and, in the event that it can, you need to lead the meeting cycle by posing key inquiries and maintaining a strategic distance from silly and illicit inquiries. The proprietor chooses benefits for workers, gives advantage data and structures, fields representative inquiries and grievances, and fires subordinates for quite a few reasons.

## 15.3 Client support Representative

Except if the business can uphold CSRs (client support agents), the obligation of overhauling clients tumbles to the proprietor. Other than dealing with grumblings and solicitations, client assistance includes investigating, establishment, preparing, and specialized help, contingent upon the item or administration gave by the organisation.

## 15.4 Actualizing Marketing Strategies

The proprietor of an independent company should plan and execute advertising systems. Successful advertising strategies rely upon the sort of business you have. A few organisations depend intensely on print promoting materials, for example, indexes, handouts, and booklets. Others publicize in magazines or set up stalls at career expos. As a proprietor, you could find that systems administration does something amazing, and he may join a business gathering or go to authoritative gatherings for your industry.

## 15.5 Inhabitant Technology Expert

Scarcely any organisations can make do without bleeding edge innovation. As the entrepreneur, Lory will stay aware of imaginative items available to stay serious. She will figure out how to work with PCs and business programming to monitor requests and solicitations, load new programming and introduce redesigns. She may need to arrange different PCs and connection them to a solitary printer. It likewise assists with having the option to make fixes if the copier, fax, printer, or PCs separate.

Without the administration work, an organisation is incapacitated to accomplish its main goal and vision which additionally implies cannot make benefit for the association. The capacity of a chief is to utilise assets, tested with completing things through individuals and furthermore has occasion to utilization of the multitude of apparatuses of the executives that some other administrator employments. The executive's achievement is acquired through achievement of mission and goals. The executives are nonexclusive. The board standards are general instead of explicit to a sort of firm or association. Nonetheless, the board is all inclusive just if the director has gotten comfortable with the circumstance in which it is applied. Creation

innovation, client qualities and the way of life of the business are instances of points of interest that chiefs need to figure out how to be successful in applying their conventional administration abilities. Arranging is the establishment zone of the board. It is the base whereupon the all the regions of the board ought to be fabricated. Arranging expects organisation to evaluate; where the organisation is as of now set, and where it would be in the impending. From that point a proper strategy is resolved and executed to accomplish the organisation's objectives and goals. The second capacity of the administration is getting readied, getting coordinated. The board should sort out the entirety of its assets a long time before close by to try the game-plan to conclude that has been arranged in the base capacity. Through this cycle, the board will presently decide within executive design; set up and look after connections, and furthermore relegate required assets. Driving is the third capacity of the administration. Working under this capacity causes the administration to control and administer the activities of the staff. This causes them to help the staff in accomplishing the organisation's objectives and furthermore achieving their own or profession objectives which can be fuelled by inspiration, correspondence, division elements, and office initiative. Control is the remainder of four elements of the executives which incorporates setting up execution principles which are obviously founded on the organisation's destinations. It likewise includes assessing and announcing of real occupation execution. At the point when these focuses are concentrated by the administration then it is important to think about both the things. This investigation on examination of both chooses further.

## Student 5: Razvan Oprea, Student ID (1919006)

# 16. Financial Plan

## 16.1. Equipment and licensing cost

| | |
|---|---|
| Fridge | £ 800 |
| Oven | £ 800 |
| Mixers | £ 500 |
| Baking Trays | £ 200 |
| Decorating equipment | £ 200 |
| Kitchen Furniture | £ 1000 |
| Storeroom set up | £ 500 |
| Cooking accessories | £ 400 |
| License | £ 600 |
| **Total** | **£ 5000** |

## 16.2. Fixed and Variable costs

| Fixed cost | Details | £ per month |
|---|---|---|
| Rent | *Mortgage* | 800 |
| Advertising | *Website, newspaper* | 100 |
| Promotion materials | *Business cards, leaflets* | 50 |
| Salary | *3 x £16k per year* | 4 000 |
| **Total F costs** | | **4 950** |

| Variable cost | £ per kg |
|---|---|
| Packaging | 0.66 |
| Gas/El/Water | 0.57 |
| Ingredients | 3.45 |
| **Total V cost** | **4.88** |

## 16.3. Profit and Loss

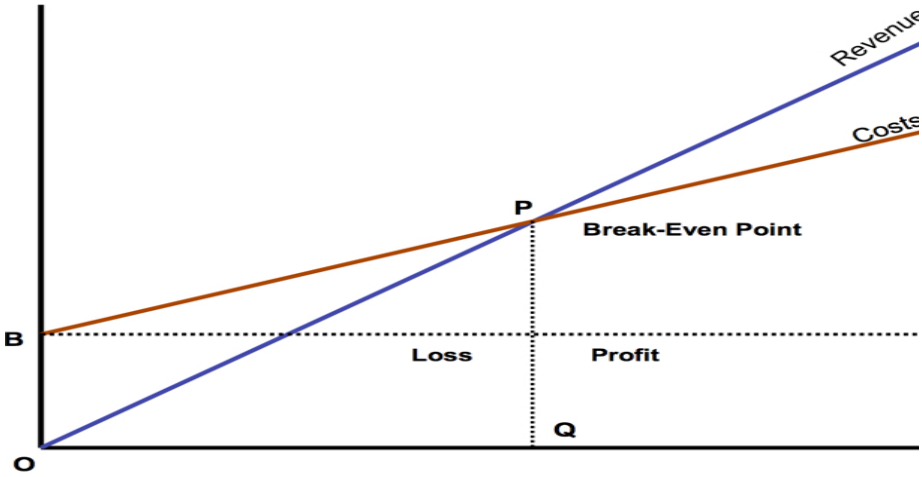
| Output (kg) | Fixed Cost (£) | Variable cost (£) | Total (£) | Sales (£) | Profit/Loss (£) |
|---|---|---|---|---|---|
| **0** | **4950** | **0** | **4950** | **0** | **-4950** |
| **100** | **4950** | **488** | **5438** | **1500** | **-3938** |
| **200** | **4950** | **976** | **5926** | **3000** | **-2926** |
| **489** | **4950** | **2386** | **7336** | **7336** | **0** |
| **490** | **4950** | **2391** | **7341** | **7350** | **9** |
| **500** | **4950** | **2440** | **7390** | **7500** | **110** |
| **600** | **4950** | **2928** | **7878** | **9000** | **1122** |

## 16.4. Sales Forecast

| Item | Sold/month | Price per item (£) | Total per month (£) |
|---|---|---|---|
| Anniversary cakes | 180 | 60 | 10 800 |
| Macaroons | 500 | 1.40 | 700 |
| Romanian Desserts | 500 | 1.50 | 750 |
| Éclair | 600 | 0.80 | 480 |
| Cupcakes | 200 | 1,00 | 200 |
| | | | 12 930 |

### 16.5. Break even analysis

The Analysis shows that Lory's Sweets LTD needs to sell about 244 cakes in order to break even before start making profit. The marketing analysis earlier confirm this is feasible.




## Student 1: Zlatina Tyulyusheva, Student ID 1919008

### 17. Financial Statement

The financial statement is based on the reports for steady growth in the crafts bakery industry despite of the pandemic (Hyslop, 2020) and is represented with more details in Figure 6. Our projection for the next five years includes slow but consistent growth of two percent in Year 1, followed by 5%, 6% and 8% in the following years. We believe this is very realistic prognosis, without being over optimistic. In year 4 we expect economy to be back to normal and that is when we will be applying for a business loan to open a small café hence the increase to 8% in sales and higher cost for marketing and advertising.

Figure 6.

**Lory's Sweets Ltd Financial Statement (2021-2025)**

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Revenue | 155 160 | 158 263 (2%) | 166 176 (5%) | 176 147 (6%) | 190 239 (8%) |
| Cost of Goods sold | 88 680 | 90 099 (1.6%) | 91 630 (1.7%) | 93 372 (1.9%) | 95 239 (2%) |
| **Gross profit** | **66 480** | **68 164** | **74 546** | **82 775** | **95 000** |
| **Expenses** | | | | | |
| Marketing, Advertising and promotion | 1 800 | 1 560 | 1 560 | 2 200 | 2 000 |
| Rent and Overhead | 9 600 | 9 600 | 9 800 | 9 800 | 10 000 |
| General and administrative | 48 000 | 48 000 | 50 400 | 52 920 | 55 566 |
| Interest 4%- business Loan in year 4 £20 000 | | | | 800 | 800 |
| **Total Expense** | **59 400** | **59 160** | **61 760** | **65 720** | **68 366** |
| Earnings before tax | 7 080 | 9 004 | 12 786 | 17 055 | 26 634 |
| Taxes | 1 345 | 1 710 | 2 429 | 3 240 | 5 060 |
| Net earnings | 5 735 | 7 294 | 10 357 | 13 815 | 21 574 |

## 18. Conclusion

Based on the business plan and research we made we are confident that Lory's sweets will makeover the bakery and patisserie market in Milton Keynes with our fresh, delicious and unique products and competitive services. The carefully researched and analysed business environment shows that Milton Keynes is a favourable place to start up a new enterprise and we have all reasons to believe that the marketing share is achievable. The target market will be constantly evaluated, and the customer behaviour trends observed, as well as the competition. The financial plan in general is realistic, without being over optimistic in light of the recent Covid-19 pandemic and the uncertainty surrounding Brexit. we will follow the government guidance and ensure safe working place for our employees and contact free delivery option for our customers. Main idea and driving force behind this business is to be self-sufficient so we will carefully follow and update the financial plan to achieve this goal. We are looking forward to establishing our brand, building stable customer base and expanding to a café in the foreseeable future. We have faith in our employees and through constant training and skills mastering we will provide high employee and customer satisfaction. We are very excited about this venture and the new opportunities it will bring.

## Reference List


Adesilu, S., 2020. *Bakerdays sees online cake trade double in lockdown.* [Online]
Available at: https://bakeryinfo.co.uk/news/bakery-expands-cake-business-as-sales-rise-amid-lockdown/645671.article
[Accessed December 2020].

Anon., 2014. *Craft Bakers Association.* [Online]
Available at: https://www.craftbakersassociation.co.uk/about/market-information/
[Accessed 06 December 2020].

bakers, F. o., 2020. *About the bread industry.* [Online]
Available at: https://www.fob.uk.com/about-the-bread-industry/industry-facts/uk-bread-market/
[Accessed 11 December 2020].

Bamford, V., 2019. *Online sales and NPD drive growth at Paul UK.* [Online]
Available at: https://bakeryinfo.co.uk/finance/online-sales-and-npd-drive-growth-at-paul-uk/626501.article
[Accessed 15 December 2020].

Barbiroglio, E., 2019. *Thriving tech sends Milton Keynes to top of UK growth table.* [Online]
Available at: https://www.propertyweek.com/data/thriving-tech-sends-milton-keynes-to-top-of-uk-growth-table/5093305.article
[Accessed 2020 December 2020].

Bromley, S., 2018. *Simply Business.* [Online]
Available at: https://www.simplybusiness.co.uk/knowledge/articles/2018/09/intellectual-property-law-for-small-businesses/
[Accessed 01 01 2021].

Clark, D., 2020. *CPI rate forecast UK 2015-2025.* [Online]
Available at: CPI rate forecast UK 2015-2025
[Accessed December 2020].

Dinkovski, N., 2019. *All eyes on the latest bakery and confectionery trends.* [Online]
Available at: https://www.foodmanufacture.co.uk/Article/2019/08/The-latest-bakery-and-confectionery-trends-photo-gallery?page=2#news
[Accessed 2015 December 2020].

Donut, M., 2019. *What has been happening in the bakery sector.* [Online]
Available at: https://www.marketingdonut.co.uk/market-research/sector-trends/bakery-sector-trends
[Accessed 15 December 2020].

Dragilev, D., 2020. *Marketing Communications Strategy: What It Is & How To Do It Right.* [Online]
Available at: https://www.criminallyprolific.com/marketing-communications-strategy/
[Accessed 9th January 2021].

Erdelac, K., 2016. *How your bakery can rise above the competition.* [Online]
Available at: https://www.quikstonecapital.com/merchant-cash-advance-blog/how-your-bakery-

can-rise-above-the-competition-0
[Accessed 15 December 2020].

Furgison, L., n.d. *Bplans.* [Online]
Available at: https://articles.bplans.com/the-bakers-guide-to-opening-a-successful-bakery/
[Accessed 01 01 2021].

Grant, M. & Scott, G., 2020. *Strength, Weakness, Opportunity, and Threat (SWOT) Analysis.* [Online]
Available at: https://www.investopedia.com/terms/s/swot.asp
[Accessed 5th January 2021].

Group, N., 2019. *Bakery Trends Tracker.* [Online]
Available at: https://www.npdgroup.co.uk/wps/portal/npd/uk/news/press-releases/bakeries-turn-the-heat-up-in-british-foodservice-as-they-compete-for-bigger-slice-of-22-5-billion-food-to-go-market-and-get-into-click-and-collect-and-delivery/
[Accessed July 2020].

HAAG, ANNETTE B, MA, RN,C.O.H.N.-S./C.M., F.A.A.O.H.N., 2013. Writing a Successful Business Plan: An Overview. *Workplace Health & Safety,* **61**(1), pp. 19-29.

Hennessy, B., 2015. I Wish Drucker Never Said It. Retrieved from http://billhennessy.com/simple-strategies/2015/09/09/i-wish-drucker-never-said-it.

Hyslop, G., 2020. *Facts and figures: The UK craft bakery sector versus coronavirus lockdown.* [Online]
Available at: https://www.bakeryandsnacks.com/Article/2020/07/01/Facts-and-figures-The-UK-craft-bakery-sector-versus-coronavirus-lockdown
[Accessed December 2020].

Kenton, W. & James, M., 2020. *Target Market.* [Online]
Available at: https://www.investopedia.com/terms/t/target-market.asp
[Accessed 9th January 2021].

Love, D. ,2017. Karl Marx's Conception of Alienation. Retrieved from https://1000wordphilosophy.com/2015/05/13/karl-marxs-conception-of-alienation/.

Mark, 2017. *Alliance Online.* [Online]
Available at: https://www.allianceonline.co.uk/blog//2017/07/how-to-start-a-catering-business-from-home-in-the-uk/
[Accessed 01 01 2021].

Milton Keynes Council, 2020. *2011 Census.* [Online]
Available at: https://www.milton-keynes.gov.uk/your-council-and-elections/statistics/census
[Accessed 15 December 2020].

Seabury, C., 2020. *Investopedia.* [Online]
Available at: https://www.investopedia.com/articles/pf/08/make-money-in-business.asp
[Accessed 01 01 2021].

Taylor, F. W., 1996 "The Principles of Scientific Management", in Shafritz J. and Ott, Classics of Organization Theory, Harcourt Brace

Thompson, P., 2002. "Motivation; The Drive for Satisfaction", in Thompson Paul, Work Organisations: Critical Introduction, Palgrave

Today, B., 2018. *These 2 Indian-origin cousins will soon make millions from Cake Shop in London.* [Online]
Available at: https://www.businesstoday.in/latest/trends/these-2-indians-will-soon-make-millions-from-cake-shop-in-london/story/277918.html
[Accessed December 2020].

Twin, A. & Anderson, S., 2020. *The 4Ps.* [Online]
Available at: https://www.investopedia.com/terms/f/four-ps.asp
[Accessed 9th January 2021].

Vroom, C., 2002 "Organization structure" in Arndt Sorge, (ed) Organization, Thompson