



Applied Leadership and Management in the Workplace

Module Assignment Submission

Student Name:	Chelsey Dennis
Student Number:	2317769
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Executive summary

Butterfly Bakes is a bakery business run by one-person, the business will operate out of a home-based location giving customers those homely fresh bakes. This setup also minimises overhead costs.

This venture sets out to offer high quality cakes ranging from celebration cakes to tray bakes like brownies, flapjacks, cookie dough, cheesecakes and unique desserts pots. They aim to provide customers with a unique, friendly, and professional experience throughout the process of designing your cakes/traybakes to the day of collection, customers satisfaction is very important as its the customers who will help the bakery grow so Butterfly Bakes stay committed to the community by maintaining the highest standard of quality with their bakes. The aim is to become a trusted name in the local community, combining professional expertise with a personal touch.

Butterfly Bakes aim to expand to the local community play area/cafes and even offering their bakes to schools, the main target of this business is to be successful enough to expand the team and have food carts/trucks in different regions of south Wales and also catering for larger events such as weddings.

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Introduction

This business plan is based around a baking business based at home, The name Butterfly Bakes was chosen from a personal memory which makes the business name unique and particular to the founder. Butterfly Bakes has been thought about for many years and with the founder having a passion for baking it seems the right idea to start up a bakery from home in hopes of expanding to a local shop in the future. Butteryfly bakes is also a family run business and the reason for starting up this bakery is to provide a better family life in and out of the business.

Market & competitors, Sales & marketing strategy, operation and financial information will be discussed and broken down within this business plan.

Business background/idea

Butterfly Bakes will provide delicious, quirky and one and only treats which will include traybakes, celebration cakes, dessert pots and cupcakes. The idea of the business is to provide that unique taste to the local community giving them that satisfaction not only from the taste but also from the presentation of all treats/cakes giving them that one and only experience.

There are also plans to expand the business to other regions in south Wales with offering a quirky truck to serve baked good and to offer these services at wedding and birthday celebrations making the name Butterfly Bakes known.

Legal Status

Butterfly Bakes will operate as a sole trader, according to Korchak (2024), running a business as a sole trader has some advantages alongside disadvantages, some advantages are you have complete control, operation flexibility and setting up as a sole trader remains the quickest and simplest way to get your business up and running.

This business status is preferable for this small bakery as according to Benwell (2024), limited companies are more expensive to run, more time consuming paperwork and administration and they also have higher accountancy fees.

Owner/Management team details

The business is owned and run by Chelsey Dennis, a professional friendly baker with several years of experience with baking from a young age, As the business is growing and with baking being very time-consuming Chelsey has had an extra hand from her family with packaging/ Stock take, fetes and in other areas. Payment to the family is always gifted with a cake which they love. If the business expands to a point where it's not manageable for one person there will be thoughts of employment for these areas. Chelseys passion for baking doesn't go unrecognised and she has a genuine love for it, her creativity and her keen eye for detail will be reflected in the quality of her work.

Product/service details

The services offered are tailored to meet the needs of the individual ranging from treat boxes to celebration cakes, treat boxes can be tailored to their preferable choice giving them an option of flapjacks, brownies, old school cake, Oreo bar and

cakes and then the celebration cakes are particular as the individual ordering would have already had a theme or design in mind which they will more than likely present via social media and t Chelsey will discuss more in details about the cake with them making sure all correct information is passed over, customers also have the option of the flavour and filling of the cake so its tailored more to the preferred choice.

Market and Competitors

According to Wanderlog(2024),there are at least 31 bakeries in south Wales, there is always a demand for cakes to tailor each event, with the likes of weddings increasing the demand for cakes is also growing.

Cakes make up 24% of all bakery sales. Customers want something that both looks good and tastes good, so they're willing to pay for it. Whether it's carrot cake for Mother's Day, sheet cake for birthdays or tiered cake for weddings, well-known bakeries that offer beautiful, delicious cakes often charge more than you might expect, especially if the cakes are customised. (Partstown, 2024)

Strengths: Experience in the baking industry Connections with other businesses Connections to suppliers for discounted products.	Weaknesses: Time management Accounting
Opportunities: More wedding venues opening More play areas/cafe increasing Online teaching techniques Cake fete/ Markets Loyalty Cards	Threats: Economic – Cost of living Bakers in the same area

Segmentation

According to Qualtrics (2023) there are 5 primary steps to segmentation,

1. **Define your market**
2. **Segment your market**

3. **Understand your market:**
4. **Create your customer segments:**
5. **Test your marketing strategy**

Following these 5 steps will help get the bakery started with segmentation, also according to Dojobusiness 2024), the best way to create customer segments for your bakery is by following this 10-step action plan to develop a meaningful customer segmentation.

S t e p	Action	Details
1	Collect customer information	Gather data via loyalty cards, sales transactions, and online interactions.
2	Examine buying patterns	Analyze which items are popular, peak purchase times, and customer purchase frequency.
3	Determine demographic factors	Group customers by age, family size, occupation, etc.
4	Assess psychographic elements	Segment customers by their lifestyle choices, taste preferences, and dietary restrictions.
5	Consider geographic data	Divide customers based on their residential or workplace proximity to your bakery.
6	Develop customer profiles	Create detailed personas for each segment to better cater to their preferences.
7	Calculate customer value	Assess the long-term value and profitability of each customer group.
8	Identify target segments	Select the segments that align with your bakery's objectives and have the most potential.
9	Customize marketing approaches	Formulate specialized marketing tactics for each customer segment.

10	Adjust and update segments	Continuously review and modify your segments to reflect evolving customer trends and business goals.
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Target Market

Getting to know and catering to your specific target market is key to your bakery's success, it is crucial for it to thrive. This includes creating detailed customer profiles based on demographics and psychographics.

An ideal customer for a bakery has a wide range of local residents, Business clients, weekend treat seekers, gift givers and special occasion customers.

With demographic segmentation you'll uncover a variety of customer groups, each defined by factors like age, profession, and gender identity. Younger customers may want to order weekend treats boxes or tray bakes where the older customers may prefer a more deluxe variety of cakes including cheesecake. Butterfly Bakes can budget to cater any profession ranging from low budget cakes to deluxe and regarding gender identity within Butterfly Bakes there is more of a female clientele in comparison to that of male clientele.

According to Veronica(2022) In this day and age knowing your buyer persona is key to a successful business. It also assists you to have a better understanding of your current consumers as well as your potential customers. When creating a new product Butterfly Bakes will be aware that all products must tailor for all their audience so will supply suitable items to cater those with dietary needs.

Competitor Analysis

After exploring the competitors in this landscape, Competitor Missy's Bakehouse targets the same audience as Butterfly Bakes offering similar products but charging between 10-15% more than Butterfly Bakes. Missy's bakehouse also has a shop these businesses typically have higher overhead cost where Butterfly Bakes is a home bakery, having a home bakery gives you the option to take your business to different catchment areas or region in south wales, whereas a shop your located in that one spot which can be a disadvantage. Other competitors like CakesbyJade and Lil Pudding which are both shop based we can see that this seems to be the price point for this market segment.

As bakeries in Swansea increase the expectation for Butterfly Bakes to open a local shop may not be as successful this year, especially with the price increase in the

market, With Butterfly Bakes being a home bakery it gives the founder to expand clientele and offer a cheaper price on high quality products due to not having the overheads as a shop.

Sales and Marketing Strategy

Market Objectives

- **Build Brand Awareness-** According to Bynder (2024) Establishing brand awareness is a powerful marketing strategy that leads consumers to develop a preference towards a brand and its products. Also, it's said that telling your audience the authentic brand story is important for building brand awareness as this can also set you apart from other competitors and will also make your customers feel connected with the founder of the business-like butterfly Bakes.
Butterfly Bakes have their logos printed on most of their packaging like cake boxes/tray bakes to promote their business, Chelsey Dennis the founder of Butterfly Bakes also wears a branded t-shirt when greeting customers or attending any sort of fete.
- **Attract new customers-** Attracting new customers to the existing customer base can increase sales which will then lead to increased profit, it also helps promote your business with word of mouth and the more customers you have, the more revenue you'll generate.
- **Retaining existing customers-** It is important to stay loyal to your existing customers because they have been your supporters from the start and helped your business grow, to show appreciation to those you could give them a loyalty card or offer a slighter discount but not putting yourself out of pocket. Within Butterfly Bakes it is important to stay loyal to those who have been with them from the start so sometimes they offer these customers tasters of new products for honest feedback and reviews. Retained customers are also more likely to engage in word-of-mouth marketing.
- **Gather insight-** Insight helps you make better predictions of what might happen in the future and make better decisions. Those predictions could be around how certain trend lines are going to move into the future, or why certain segments will continue or be different.

Market strategies

According to Nancholas (2023) *“The importance of a marketing strategy that works, and works well, cannot be understated – for start-ups, small businesses and established, global brands alike”*.

Butterfly Bakes market strategies:

- Word of mouth
- Social media- Facebook and Instagram (Butterflybakes0)
- Community Engagement
- Gain potential 'loyalty' discounts

Using all the above strategies will have a massive impact on the business as they are all free platforms for advertising not giving you any overheads, social media is the main marketing strategy for butterfly Bakes as its the platform to stay in sync with new and existing customers, it also allows you to keep up with the new trends and promote your products and what you have to offer. However, it is also a downfall as it's a public platform where you can get negative comments posted to your page which could potentially tarnish your brand if not dealt with correctly.

Pricing Strategy

Butterfly Bakes have entered the market with the cost leader's strategy, The cost leadership strategy involves a business method focusing on gaining a competitive edge by reducing costs across the organisation. By applying a cost leader strategy, the company will not only gain profit but will also increase in customers as some customers still only shop for the lowest price, also by undercutting your competitors and building that clientele you have more of a chance of surviving during downtimes. (Tomasette, 2024)

Operations

Location/Premises

Butterfly Bakes will operate out of a home-based location, this gives the company time to have increased productivity, reduce overheads and a better work life balance. Working out of a home-based location also means when customers arrive for collection, they have that warm welcome from a family orientated home and get to experience that aroma smell coming from the kitchen.

However, as the business grows the plan is for butterfly bakes to get a permit to build on their property so they have an outer building to operate from but for the first year of operation, Butterfly Bakes will be a home-based business with a growing clientele. In the meantime, there is also discussion about offering bakes from a food truck as previously mentioned, this truck will be designed to match the quality of the company's cakes and give that quirky, unique style.

Production & Distribution Processes

With regards to Butterfly Bakes being a home-based production, their goods are generally based on collection only but there are plans to expand for the future to offer a delivery service,

People

As of late Butterfly Bakes traders as a sole trader, Chelsey Dennis will be the founder of the business, however plans will be explored in the future if and when the business grows.

Legal compliances

Butterfly Bakes will be a fully licensed and insured operator, they will obtain a local business licence and Food standard Agency licence before the environmental health officer comes and inspects the property (Commodious,2023).

They have also completed the necessary level of food hygiene and will display it to customers in person, this certificate will also be used on social media platforms to ensure customers of Butterfly Bakes professional standards.

Financial Information

Within the presented cash flow, the projected financial performance of butterfly bakes has been calculated and detailed.

Cashflow forecast													
Cash inflow													
In this section, input all the ways in which you will have money coming into the business in column A [as per examples]. Then, put in the numerical values of that income in the appropriate month. REMEMBER: this is a forecasted projection - What you would hope and expect to get													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Big cakes	£140.00	£210.00	£320.00	£320.00	£370.00	£410.00	£410.00	£370.00	£400.00	£400.00	£320.00	£320.00	£3,990.00
Cupcakes	£80.00	£300.00	£300.00	£400.00	£200.00	£400.00	£500.00	£350.00	£325.00	£320.00	£500.00	£300.00	£3,975.00
Flapjack	£160.00	£200.00	£200.00	£300.00	£160.00	£300.00	£400.00	£200.00	£200.00	£300.00	£200.00	£200.00	£2,820.00
Brownies	£160.00	£200.00	£200.00	£340.00	£220.00	£340.00	£300.00	£200.00	£200.00	£360.00	£360.00	£300.00	£3,180.00
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Cash outflows														
In this section, input all the ways in which you will have money GOING OUT of the business in column A [as per examples]. Then, put in the numerical values of that income in the appropriate month. REMEMBER: this is a forecasted projection - What you expect to pay out														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
equipment	£25.00	£10.00	£0.00	£0.00	£0.00	£25.00	£0.00	£0.00	£10.00	£25.00	£10.00	£10.00	£115.00	
insurance	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£35.00	£420.00	
materials	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£600.00	
utilities	£50.00	£65.00	£65.00	£50.00	£30.00	£30.00	£30.00	£30.00	£30.00	£40.00	£50.00	£65.00	£535.00	
wage	£200.00	£400.00	£500.00	£550.00	£400.00	£600.00	£650.00	£450.00	£455.00	£550.00	£550.00	£450.00	£5,755.00	
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Set up costs

Butterfly Bakes set up cost will be a total of £2000, this money will be utilised to get bulk equipment, material and pay for insurances and licences. These funds will either come from personal savings or other resources.

As discussed throughout the business plan, the future to have a shop or a food truck will increase the set-up cost.

Sources and Finances

There are many options to fund a new business and to get additional start-up/investment money we can look into these resources;

- Bank loan
- Personal loan
- Credit cards
- Angel investments

Favourable credit terms will be arranged with suppliers, with a 30-day credit period.

Profit & Loss

[illegible]

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