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Written Report

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Introduction

Business management is the method of arranging, planning, handling, and directing the activities of a business or company to fulfill goals and targets. The topic will discuss the business overview by explaining the business description, target market, mission, vision, products and services and legal considerations. Along with this, the subject will mention industry analysis through VRIO analysis and Porter's Five Forces. Also, the study will explain the management team and operation team by identifying the ways to generate revenues, entrepreneurship abilities, and many more. Additionally, the discussion will highlight the marketing strategy and financial plan for the bakery business.

Business Overview



Figure 1: The logo of The Baked Ego
(Source: Created by author)

Defining the business: The Baked Ego is a start-up business located in Collier-Row, Romford, based on a variety of baked products and personalized cakes, especially for people who love creative cake design and baked items. The bakery will make customised cakes for special days or festive events like weddings, Christmas, birthdays, and the New Year in Romanian and English styles.

They can start with a small financing and minimum setup, like utilising a kitchen or renting a trade one. Through this business, beginners can develop their baking and accessorising skills with the help of courses or self-study, making sure they have a powerful foundation in party arts.

Target market: This business will target residents who are looking for freshly baked goods for everyday consumption, as well as families and individuals who are looking for unique personalized treats and cakes for celebrations. Because we will focus on using organic and healthy products the target will include Health-conscious customers as nowadays people prefer healthy lifestyles, organic foods, and natural nutrition the business will include whole wheat, light and low calories, additional free options, and natural ingredients in their products (Baker *et al.*, 2021).

Mission: The prime mission of **The Baked Ego** is to make different types of baked items with a major focus on using healthy ingredients and state-of-the-art equipment.

Vision: The prime vision of this new business is to develop a different menu with several nutritious alternatives. Also, they want to acknowledge the basics of healthy making and explore options to standard ingredients to prioritise nutritious advantage without compromising taste (Neessen *et al.*, 2021).

Products and service: The venture will provide sugar-free alternatives, whole grain treats and gluten-free options. They will keep up with healthful and nutritional trends, making sure to observe health and safety sides and regulations. Along with this, the venture will offer customised designs for their cakes and involve giving fresh and hand-made baked products to customers with the help of regular doorstep services.

Legal considerations: The owner of this venture should maintain a secure working environment for customers and employees. Along with this, the owner must make sure appropriate equipment preservation and giving secure training to their employee is a better idea (legalvision.co.uk, 2023).

Industry Analysis projections

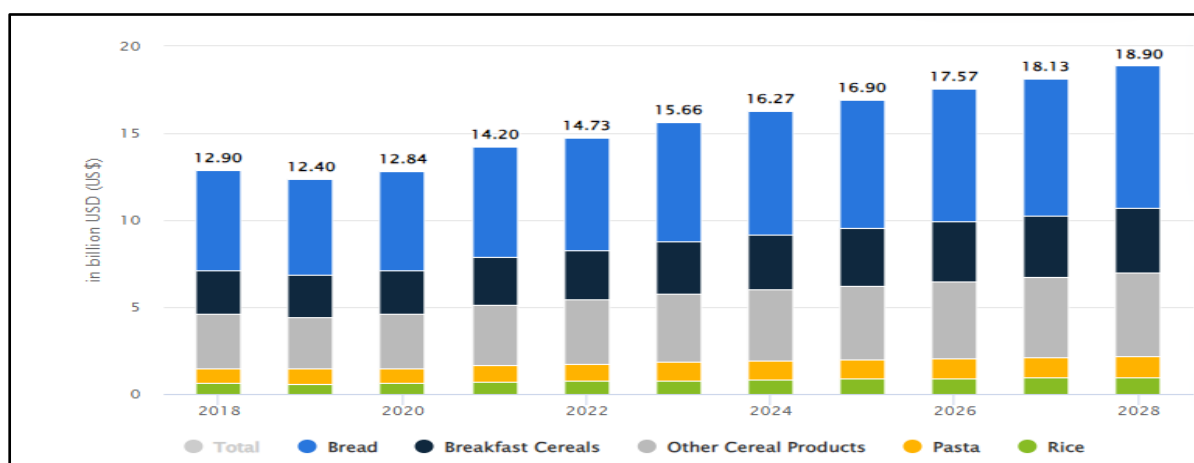


Figure 2: Average revenue of Bread and bakery products

(Source: statista.com, 2024)

Market Size: The bakery market of the UK is estimated at a rate of £5 billion and is a huge industry within the UK food sector. The market size of the bakery industry which is estimated by revenue is £8.8 billion in the year 2023 (fob.uk.com, 2024).

Growth Rate: The market is estimated to increase yearly with a rate of 3.82% with CAGR between 2024 and 2028. Along with this, the estimated amount of this industry will be 3.49 billion kg within 2028 (statista.com, 2024).

Sales: The revenue of this bakery industry is evaluated with an amount of £12.83 billion in 2024 (statista.com, 2023).

VRIO Framework

Probable Competitive advantage	Valuable	Rare	Inimitability	Organized
Location: Collier Row, Romford	Yes	Yes	Yes	Yes
Product quality: sugar-free alternatives, whole grain treats and gluten-free options	Yes	Yes, however, in Romford there are some other healthy bakery shops (Very limited in number)	Yes	Yes
Customer service: home delivery within 20 minutes, deliveries at doorstep, open layout	Yes	No	No	Yes

Analysis: The Baked Ego will have a competitive advantage as this is one of the bakery shops in Romford offering sugar-free, gluten-free, and whole-grain treats for a healthy lifestyle. However, the business is one of the organic bakeries on Romford Street and new entrants can copy their ideas. Another advantage of this business is they will arrange seating arrangements for their customers so that they can spend their time inside or outside of the bakery shop. This will influence their customers to sit inside or outside and enjoy their food or bakery items.

Porter's Five Forces

New entrants: At the initial stage of this business, the venture needs large funding to make a chain of stores. As Romford is a famous place, others can start their business with a better investment. The bakery sector as per the recent trends requires advanced technical and professional solutions and constant investments. These are expensive tools to ensure high innovativeness.

Rivalries: This new venture can face competition on quality, price, connections, and differentiation with prime suppliers. The competitors of **The Baked Ego** will be Cakes by Cake Box, Cakes and Bakes, Wenzel's and Patisserie Valerie Cookies. This new venture will compete with these competitors (Talvitie, 2021).

Buyers: The venture will distribute its products through fast delivery, home delivery at the doorstep and supermarkets. This is essential to identify the regional bakery shops and local features that need to be considered. As customers have several options to buy bakery items, they can prefer low prices and offers on products. The bakery can face the bargaining power of customers, as the chances are high.

Suppliers: The basic materials for the cake-making industry are baking powder, salt, oil, flour, sugar, and yeast. As the ingredients of cake making are very common, therefore, there are high numbers of suppliers to supply materials as strong sources (Deselnicu *et al.*, 2020).

Substitutes: The ingredients required for making a cake are very common and people can buy the ingredients and make them by themselves at home. They can have an alternative and along with this, bakeries depend on price and benefits to keep their customers attached to them so they cannot switch to homemade cake (Kardinasari and Fachira, 2023).

Management Team

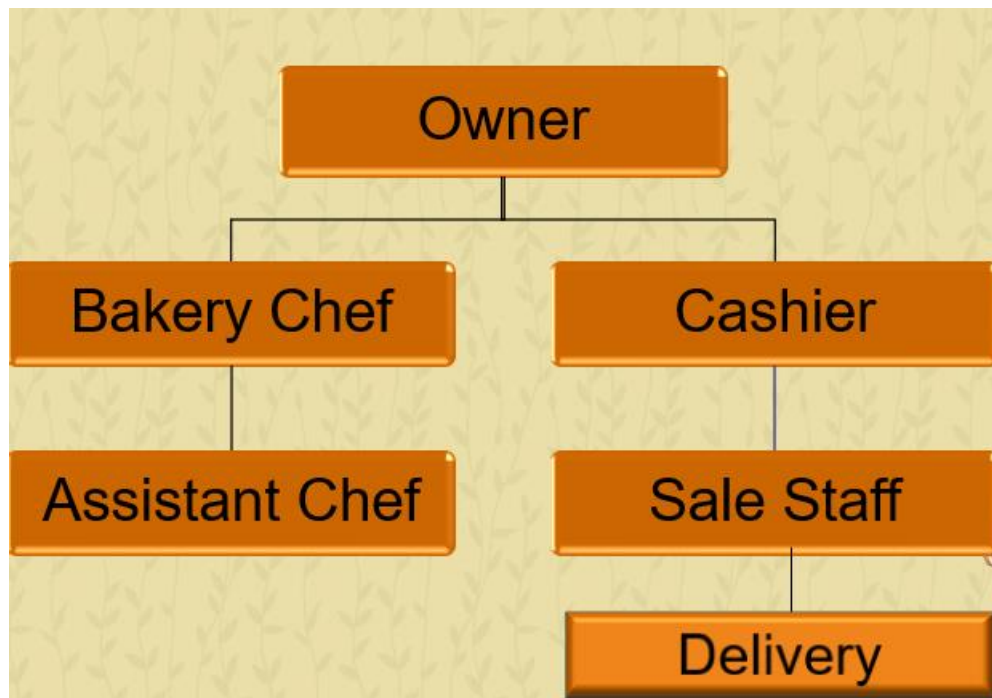


Figure 3: Management team plan

(Source: Created by author)

Bakery structure:

Director- Responsible for developing business strategies and plans, managing stakeholder relationships and making key decisions for the business.

Bakery Chef- responsible for creating and preparing cakes and baked goods, developing new recipes, ensure safety standards.

Assistant chef -supporting the head chef in daily kitchen operations, maintaining cleanliness and organization in the kitchen.

Cashier- processing payments accurately and providing excellent customer service.

Sales staff- recommending products and providing product information to the customers.

Delivery driver-safely and promptly delivering bakery orders, handling payments upon delivery, and providing excellent customer services.

Business Processes

Acquiring Supplies: The bakery shop needs several ingredients like flour, eggs, sugar, and ghee. Other items such as assorted fruits, yeast, salt, milk powder, vanilla, cream, butter, and baking powder. They can get these raw ingredients from the local wholesale market, manufacturers, and distributors (Yanova *et al.*, 2020).

Required equipment: The Baked Ego needs several pieces of equipment like:

- measuring cups.
- Mixers.
- Rolling pin.
- Oven.
- Refrigerator.
- Knives.
- Mixing bowls.
- Safety equipment.

Along with these, the venture will need cups, spoons, mixing bowls, silicon spatulas, and whisks (Goryńska-Goldmann, 2022).

Managing the supply chain: Proper packaging is essential to secure the products at the time of shipping. They can supply their products by leveraging GPS tracking, delivery apps, vehicle management and data collection processes. Stock management software will also be used to monitor the inflow and outflow of ingredients (Xu *et al.*, 2021).

Cakes and scones: The cakes and scones will be made in the bakery production where the workers will make the cakes in an oven. A baker will bake cake and make other products which will be made using an oven or another concentrated heat surface.

Defining the distribution channels: The bakery business will have several strategies for distribution channels such as direct store delivery, using food service, home delivery service, using application of the brand, and third-party logistics. Along with this, **The Baked Ego** will distribute its products to its customers through e-commerce platforms, restaurants, events, and product standpoints (quikstonecapital.com, 2022).

Stakeholders: Investors, suppliers, employees, and customers will be the stakeholders of **The Baked Ego**. Along with this, the business will have communities, governments, and trade associations to affect the business operations.

The ways to generate revenue using the following features.



Figure 3: Ways to increase revenues.

(Source: Mayer, 2021)

Upselling: At the time of upselling, the venture will involve a high-priced version of a product. They can upsell customers by providing a low-priced product. Through upselling techniques, this venture can convince its customers to spend more than they advised by providing upgrades that add value to their starting buy (Pandya and Dholakia, 2021).

Upgrading: The business can increase its revenues from its loyal customers by upgrading its designs and customisation. Through this customer can customise their products to fit the customer's expectations and needs.

Economies of Scale: The enterprise can achieve directorial economies of scale by spending on professionals as the business grows. Special workers and experienced employees who can develop production systems can increase the performance and productivity (Mayer, 2021).

Educational background

The manager of an owner of the bakery shop should have a bachelor's degree or master's degree. To become a manager of a business a manager must have a degree in Business Administration, Management, or equivalent skills.

Industry Experience: Industry-specific experience is crucial for entrepreneurs. Having a better knowledge and acknowledgment of a specific industry enables businessmen to examine market gaps, decision-making and identify trends. Relevant

managerial experience in the food and beverages industry will be prioritized as well (Nguyen, 2020).

Achievements: The bakery shop can achieve awards if they perform better and increase their productivity. They can take part in Achievement in Serving and Events Awards to enhance their brand image.

Abilities of entrepreneurship: A businessman should have customised learning experience, industry related curriculum. One-to-one learning and leadership approach make sure that the business can receive customised attention and help all over the course journey (KIM and Hwang, 2020).

4Ps of Marketing Strategy

Product: This business will offer a variety of bakery products with various flavoured cakes in Romanian and English styles. The shop is planning to grow with healthy products and a large variety of personalized cakes, so customers can buy their items, and this can compete with these competitors. The prices will be better suitable from the perspective of the customer. This is how the business will increase more profit and allow customers to obtain more resources and enhance their business (Zhan, 2022).

Promotions: This new venture will have a good online presence by creating an attractive website, with a variety of items on display with information. They can arrange any social media campaigns or posts with their opening and by displaying their products.

Place: The venture will be in Romford and the streets of Romford are popular for a variety of shops, bakery shops, and other stores of branded companies. Customers will come to see the shop and this will grab the attention of their customers (Linzaone and Lerro, 2021).

Financial Plan

	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Beginning cash balance	£5,000	£14,000	£17,000	£24,000	£19,000	£34,000	£39,000

Cash inflows	£8,000	£7,000	£9,000	£4,000	£8,000	£5,000	£6,000
• Accounts receivable	£6,000	£4,000	£8,000	£3,000	£9,000	£4,000	£5,000
• Bank loans • Angel investors	£7,000	£5,000	£5,000	£5,000	£8,000	£5,000	£4,000
Total cash inflow	£21,000	£16,000	£22,000	£12,000	£25,000	£14,000	£15,000
Cash outflow.	£9000	£10000	£11,000	£9,000	£7,000	£5,000	£4,000
• Accounts payable • Payroll	£3,000	£3,000	£4,000	£8,000	£3,000	£4,000	£4,000
Total cash outflow	£12,000	£13,000	£15,000	£17,000	£10,000	£9,000	£8,000
Net cash flows	£9,000	£3,000	£7,000	-£5,000	£15,000	£5,000	£7,000
Ending cash balance	£14,000	£17,000	£24,000	£19,000	£34,000	£39,000	£46,000

The cash inflows attributes are accounts receivable, bank loans and angel investors and the cash outflows are accounts payable and payroll. Through this cash flow statement, the bakery business can get an accurate number of cash inflows and outflows from different operations of the business. Along with this, **The Baked Ego** will arrange an additional fund so that if they face any emergency financial crisis, they can use it.

Conclusion

The study has highlighted that the business can make customised cakes for special days or festive eves like wedding, Christmas, birthdays, and New Year. Also, the growth rate of the bakery industry is 3.82% with an amount 3.49 billion. From the VRIO analysis, it has been discussed that this is one of the bakery shops in Romford offering sugar-free, gluten-free, and whole grain treats for a healthy lifestyle. The topic has used 3 ways to generate revenue such as upselling, upgrading and economies of scale.

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