



Business plan for bakery

Module Name: Entrepreneurship

Module Code: LCMB7004

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1. Overview of the proposed business idea

Product Overview

The bakery company aims to develop the products based on the tastes and demands of the customers. Different types of baked items like cake, pastries, cookies, etc. will be sold by the company. The bakery will sell a range of breads, from traditional varieties like sourdough and multigrain to specialty breads like artisanal bread with distinctive flavors and ingredients. The cake collection will include both conventional and contemporary designs, including celebration cakes for birthdays, marriages, and other special occasions.

The pastries will include favorites like croissants, Danish pastries, and muffins. The bakery will also provide a variety of delicious cookies and biscuits to ensure there are alternatives to suit every taste(Brown, 2011). Customers with particular dietary needs can also be catered to with specialty items like seasonal sweets, gluten-free goods and vegan goods.

Service Overview

The UK bakery industry will provide excellent customer service to enhance the overall customer experience(Wikamulia and Isa, 2023). The services will emphasize convenience, individualized care, and a warm, inviting atmosphere in particular. The bakery will place a high value on having staff members who are helpful, knowledgeable, and enthusiastic about the products they sell. They will provide knowledgeable direction, assist with special requests, and create a welcoming atmosphere for customers to enjoy. To meet the various requirements of customers, the bakery will offer a variety of services, including:

Customization: Clients will get the opportunity to add customized messages to cakes, pick specific parts for bread, or request particular plans for baked goods.

Catering: The bakery will provide catering services for gatherings, parties, and other special occasions. In addition, this will involve specially designed menus, delivery, and setup in order to provide customers with a seamless experience.

Delivery and ordering online: In order to meet the changing needs of customers, the bakery will set up an online platform where they can quickly browse the menu, place orders, and arrange for delivery or pickup.

Wholesale and custom orders: For large quantities or specific requirements, the bakery will take custom orders from cafes, restaurants, and other businesses. Wholesale alternatives will be available for companies seeking a consistent supply of freshly baked goods.

2. Identification of the gap of Bakery market in United Kingdom and plan for overcoming the Gap

The rising desire for artisanal and healthier baked goods might represent a market gap. Consumers are becoming more selective about their diets, looking for goods that are made with high-quality ingredients, provide gluten-free or vegan options, and place a premium on nutritional value without sacrificing flavour (Lab, 2023).

The planned bakery company must concentrate on offering a wide variety of artisanal and healthier baked items in order to fill this need (McAdam et al., 2014). The company must meet the rising demand for goods that are compatible with a variety of dietary choices and satisfy customers who care about their health. The company concept/plan intends to close this gap in the following ways:

Healthier Options: Various healthy choices, like whole-grain bread, gluten-free pastries, and sweets without added sugar, will be available at the bakery. These goods will be created using wholesome components and other flours, guaranteeing that

customers who are health-conscious have several options without compromising on taste or quality(Sîrbu, 2023).

Organic and Locally Sourced Ingredients: Ingredients that are locally and organically produced will be given priority wherever feasible by the bakery. This strategy guarantees that the baked products promote sustainable and ecologically friendly practices while also being healthier.

Customization for Dietary Preferences: The bakery will provide customizable alternatives since it understands the value of meeting certain dietary requirements. Customers can request customized items to meet their needs if they have dietary preferences or requirements, such as being vegan or dairy-free.

Innovation and artistry: The bakery's main goals will be to provide distinctive baked items that stand out in the marketplace. To provide clients an artisanal experience, creative flavor pairings, artistic patterns, and attention to detail will be prioritized (Mitelut et al., 2021).

The planned bakery company seeks to draw health-conscious customers looking for high-quality items that complement their dietary choices by filling the market gap for healthier and artisanal baked goods(Semenova and Semenov, 2023). This strategy puts the company in a better position to stand out from rivals and take advantage of a developing market niche, boosting its prospects of long-term success and profitability.

3. Proposed Location for the business and legal entity with justification

Proposed Location:

A busy metropolitan neighborhood with a lot of foot activity and a mix of residential and commercial buildings will be the perfect location for the bakery company. To maximize exposure and draw potential clients, a great site with high visibility and accessibility will be sought for. Bristol, for instance, can be chosen. Bristol is a flourishing city with a

diversified population and a bustling food scene. It provides a blend of residential and commercial sectors, maintaining a constant stream of foot traffic all day long. The city draws both locals and visitors, offering a fantastic opportunity to acquire a diverse client base.

Justification:

Accessibility and Convenience: Choosing a site near residential areas, workplaces, and retail establishments will improve accessibility for customers. This will raise the level of convenience and promote repeat visits.

Foot Traffic and Visibility: A high foot traffic location can expose potential clients, such as a crowded retail street or a business neighborhood. Being in a prominent and recognizable position will assist draw in customers and build brand recognition.

Target Market Proximity: It is crucial to pick a site close to the target market. Finding regions where the target market groups, such families or health-conscious people, are concentrated can boost your chances of attracting their attention and attracting regular foot traffic.

Legal Entity:

The bakery business will be legally organized as a private limited company (Ltd.).

Justification

Limited Liability: The private limited company form distinguishes between personal and corporate obligations, securing the owners' private assets in the case of monetary or legal challenges.

Credibility and Professionalism: Becoming a private limited company can help the bakery appear more credible and professional to clients, vendors, and prospective business partners.

Growth Flexibility: A private limited company form offers growth and expansion flexibility in the future. It makes it possible to issue shares, draw in investors, and facilitate prospective fundraising efforts.

Tax efficiency: In the UK, private limited companies have a number of tax benefits, including the opportunity to deduct company expenditures from taxable income and the possibility to be eligible for a number of tax reliefs.

The bakery company may build a solid legal basis, inspire stakeholders' trust, and provide a platform for sustained growth and development in the competitive baking sector by using the private limited company structure.

4. SWOT analysis of the business

<u>Strengths</u>	<u>Weaknesses</u>
<i>Quality Products</i> To produce great baked goods with exceptional flavour, texture, and scent, the bakery will concentrate on employing high-quality ingredients, traditional baking processes, and attention to detail.	<i>Limited Brand Recognition</i> As a new bakery, the company can initially struggle to build its brand and draw clients. It will be essential to make strategic marketing efforts to address this flaw(Andrlic et al., 2007).
<i>Artisanal Approach</i> In order to appeal to clients looking for a premium bakery experience, the bakery will market itself as an artisanal bakery, delivering distinctive flavour combinations, cutting-edge designs, and aesthetically pleasing items.	<i>Operational Difficulties</i> In the bread sector, maintaining consistent quality, managing inventories, and managing output may be challenging. To meet these problems, adequate planning and effective operations management are required.

<i>Customization Possibilities</i> The bakery will provide customization choices to accommodate certain dietary requirements, enabling consumers to customize their purchases and satisfy different demands like gluten-free, vegan, or sugar-free requirements (Kardinasari and Fachira, 2023). <i>Strong Customer Service</i> The company will place a high priority on hiring amiable and competent employees who can offer consumers professional guidance, help with special requests, and foster a nice environment that will improve their entire experience.	
<u>Opportunities</u> <i>Growing customer Demand for Artisanal and Healthy Baked Goods</i> The bakery may take advantage of the expanding customer demand for artisanal and healthier baked goods by providing a variety of alternatives to suit their tastes. <i>Online presence and delivery</i> With the rising popularity of online	<u>Threats</u> <i>Intense Competition</i> The bakery will compete with other restaurants and well-known bakeries. It will be crucial to distinguish the company from competitors by providing distinctive items of great quality and first-rate customer service. <i>Fluctuating Ingredient Prices</i> Price changes for ingredients, particularly

ordering and delivery services, the bakery may make use of technology to boost consumer convenience, reach a larger client base, and broaden its market reach. <i>Corporate Partnerships and Wholesale</i> Forming alliances with neighborhood cafés, eateries, and companies can open doors to bulk orders, catering, and wholesale distribution, which can increase the clientele and sources of revenue.	for premium and organic components, may make it difficult for the bakery to control expenditures. To lessen this hazard, effective cost management techniques will be required. <i>Consumer Trends and Preferences Changing</i> Businesses must keep current and adapt to changing consumer expectations in order to be relevant and competitive. Consumer trends and preferences are changing, which poses a challenge to the bakery sector.
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5. Target market and Adopted strategies for capturing the target market

Target Market Analysis - Bakery Business in the UK

The proposed bakery firm would cater to a wide variety of UK consumers who value fine, freshly baked items. The following categories can be used to categorize the target market:

Persons and Families: Families and people seeking daily bread, pastries, and cakes for consumption are included in this section. They look for goods that are tasty, manufactured from high-quality ingredients, and are made fresh. For this group, convenience, flavor, and diversity are crucial considerations.

Occasion-Based Customers: Customers that buy bakery goods for special events, such as birthdays, anniversaries, and festivities, make up this market sector. They seek cakes, pastries, and other baked products that may improve the experience of their events and are individualized and aesthetically pleasing.

Café and Restaurant Partners: Establishing ties with neighborhood cafés, restaurants, and other eateries might open up the possibility of supplying baked products for their menus. This market places a high priority on constant quality, dependability, and prompt delivery of fresh goods.

Health-conscious Consumers: With increased interest in eating well, there is a growing demand for baked products that accommodate certain dietary needs, such as gluten-free, vegan, and sugar-free alternatives. This area looks for healthier options without sacrificing flavor or quality.

In order to identify the precise demographics, tastes, and purchasing patterns of the target market, market research will be carried out. For better fulfilling the demands and preferences of each client category, the bakery will be able to better adjust its product offers, pricing, and marketing techniques. The bakery may establish focused marketing efforts, relevant product lines, and a memorable customer experience that distinguishes it from rivals by knowing its target market.

Adopted strategies

Product Diversification: The bakery will implement a strategy of product diversity. This is done to cater to the various demands and preferences of the target market. This entails providing a variety of baked foods, such as different kinds of bread, pastries, cakes, and sweets. The bakery can draw in more customers and foster greater customer loyalty by accommodating a variety of tastes and dietary needs.

Customization and Personalization: The bakery will provide choices for customized orders since it understands the value of customization. Customers can make unique requests for cakes, pastries, or special dietary needs to suit their tastes. As people feel cherished and catered to personally, this method will increase customer satisfaction and loyalty.

Strategic Alliances: The bakery will look to establish alliances with neighborhood cafés, eateries, and event organizers. By using this tactic, the bakery will be able to provide baked products for their special events, catering services, and menus. The bakery may access their current clientele and expand into new areas by partnering with established companies.

Online Presence and Social Media Marketing: The bakery will develop a strong online presence and make use of social media platforms in order to reach a wider client base and adjust to shifting consumer patterns. This will involve upholding an educational and user-friendly website, enabling online ordering, and participating actively on social media platforms. Engaging with customers on digital platforms may help brands become more visible, draw in new clients, and advertise sales or seasonal merchandise.

Exceptional Customer Service: One of the bakery's main strategies will be to offer extraordinary customer service. Staff members will be educated to serve clients, provide product recommendations, and guarantee a pleasurable visit to the bakery.

6. Funding Resources

Initial funding for the bakery business will be 70,000 pounds and this capital amount will be invested to buy or rent assets for my bakery business along with other required investments.

The above-mentioned budget is an estimate and may change based on a number of variables, including the location, the size of the bakery, the equipment specifications, and the particular needs of the company. To establish the precise budget for opening a

bakery business in the UK, it is important to carry out in-depth research, request quotes from suppliers, and speak with experts.

It is quite common for entrepreneurs who are aspiring to start a business to borrow money from friends and relatives to help them get started. Due to the ease of access and familiarity of the participants involved, it is frequently considered a first source of funding. Many entrepreneurs, especially in the early stages of their business, count on the support of family and close associates who are dedicated to the growth of their business. This type of financial support provides many benefits like a reduction in administrative costs and flexible repayment terms and a sense of confidence and help (Clutch, 2020).

A growing number of entrepreneurs are bootstrapping their business by using their own funds such as savings, credit cards or savings to finance their ventures. The idea of launching the business using personal funds is becoming more popular across the globe of commerce. Since entrepreneurs aren't accountable to investors or lenders outside of their company the method allows them more freedom and control in their choices. Additionally, personal financing allows entrepreneurs to retain full ownership and control of their ventures, thereby avoiding the risk of losing control associated with outside investments. For individuals who are determined and willing to start a company from scratch, personal financing can be a viable and effective alternative to traditional financing, despite some challenges, such as the lack of initial capital and financial risks (countingup, 2022).

Personal income	Description (as required)	Monthly net income (£)	Annual net income (£)
Employment (net income)		£2,000	£24,000
Benefits payments		£200	£2,400
Total income across all sources:		£2,200	£26,400

Personal expenses	Description (as required)	Monthly net expenses (£)	Annual net expenses (£)
Rent or mortgage payments		£100	£1,200
Council tax		£56	£672
Utilities		£45	£540
Phone and internet		£23	£276
TV Licence		£47	£564
Personal and property insurance		£45	£540
Grocery shopping		£12	£144
Transport costs		£15	£180
Car tax and insurance		£56	£672
Subscriptions		£70	£840
Clothing		£23	£276
Leisure and entertainment		£24	£288
Money put into savings		£45	£540
Loan		£1,200	£14,400
Total expenses across all areas:		£1,761	£21,132

Total expenses across all areas:

Explanation
13:22 Today

YOUR MONTHLY BALANCE

From Importers £439

YOUR ANNUAL BALANCE

£5,268

Your notes or commentary

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
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Name
Company name
20/8/2023

Key:
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Insert your own text/numbers into these cells as relevant.

Select your starting month: April

Cash in-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Total anticipated sales		£0	£2,481	£2,855	£2,990	£2,589	£2,488	£2,240	£2,114	£2,589	£2,990	£2,855	£2,481	£2,488	£30,720
Value of your Start Up Loan		£14,400	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£1,200	£28,800
Other sources of cash or equity		£0	£25	£24	£23	£22	£25	£26	£35	£31	£32	£33	£35	£36	£347
Existing assets for business purposes		£0	£21	£20	£24	£23	£25	£30	£25	£26	£28	£29	£26	£25	£302
Investment by owner		£0	£20	£21	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£41
Total cash in-flows (A)		£14,400	£3,727	£3,920	£4,237	£3,834	£3,738	£3,496	£3,374	£3,846	£4,280	£3,917	£3,722	£3,749	£60,210

Cash out-flows	Description (as required)	Starting point	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Total anticipated cost of sales		£0	£2,155	£2,327	£2,616	£2,263	£2,178	£1,960	£1,848	£2,263	£2,616	£2,327	£2,155	£2,178	£26,886
Existing assets for business purposes		£0	19	24	25	35	36	25	25	25	25	25	25	25	£314
Rent or premises costs		£0	£20	£25	£26	£24	£24	£26	£23	£24	£25	£26	£26	£24	£293
Business rates for your business premises		£0	20	21	25	28	31	28	28	28	28	28	28	28	£321
Utilities (gas, electricity, water)		£0	21	24	25	34	24	27	27	27	27	27	27	27	£317
Insurance		£0	27	26	27	30	35	42	42	42	42	42	42	42	£439
Telephone and internet		£0	20	25	26	21	23	25	25	25	25	25	25	25	£290
Marketing and advertising expenses		£0	27	26	27	30	35	42	42	42	42	42	42	42	£439
Vehicle running costs		£0	20	21	25	28	31	28	28	28	28	28	28	28	£321
Equipment purchase or leasing		£0	21	23	19	15	24	31	31	31	31	31	31	31	£319
Postage, printing, stationery		£0	19	24	25	35	36	25	25	25	25	25	25	25	£314
Transport and delivery		£0	26	31	29	24	21	32	32	32	32	32	32	32	£355
Professional fees (legal, accounting etc.)		£0	26	31	29	24	21	32	32	32	32	32	32	32	£355
Your salary (if PSB is in deficit)*		n/a	21	24	25	34	24	27	60	60	60	60	60	60	£155
Your salary (over and above your PSB needs)*		n/a	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Staff costs		£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Start Up Loan monthly repayment - First Loan		£0	20	21	25	28	31	28	28	28	28	28	28	28	£321
Stock / Materials		n/a	21	24	25	34	24	27	27	27	27	27	27	27	£317
Government fees		£0	27	26	27	30	35	42	42	42	42	42	42	42	£439
Enter other		£0	20	25	26	21	23	25	25	25	25	25	25	25	£290
Total cash out-flows (B)		£0	£2,530	£2,748	£3,052	£2,738	£2,656	£2,472	£2,330	£2,746	£3,100	£2,812	£2,640	£2,661	£32,485

Your net cash flow (A-B)	£14,400	£1,197	£1,172	£1,185	£1,096	£1,082	£1,024	£1,044	£1,100	£1,150	£1,105	£1,082	£1,088	£27,725
Your monthly opening business bank account balance	£0	£14,400	£15,597	£16,769	£17,954	£19,050	£20,132	£21,156	£22,200	£23,300	£24,450	£25,555	£26,637	£27,725
Your closing cash position	£14,400	£15,597	£16,769	£17,954	£19,050	£20,132	£21,156	£22,200	£23,300	£24,450	£25,555	£26,637	£27,725	£27,725

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