

Business Plan

Entrepreneurship



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1. Business description

At N2 Sweet Lab Ltd our mission is to prepare exceptional chocolate and confectionary experiences that bring joy and celebration to every occasion. We are very passionate and dedicated to crafting quality, handcrafted desserts using locally sourced ingredients from Kent, blending traditional and innovation. Our workshops and bespoke offering are designed to spread the love of chocolate and promote to a community of sweet enthusiasts who appreciated the artistry and passion behind every bite. We aim to make every visit to N2 Sweet lab a delightful journey through rich flavours and imaginative creations, ensuring satisfaction and happiness for our customers.(N2 Sweet Lab, 2024). N2 Sweet Lab commitment is to deliver quality with local ingredients, engage with locals, and customer satisfaction. N2 Sweet Lab is Limited Company business structure in the UK, where the company separate legal entity from its owners.

The advantages of that kind of business structure is that the shareholders' personal assets are protected and they are only liable up to their investment. Nevertheless. enhances trust with customers and investors and got potential for lower tax rates expenses, and not of the end can issue shares to raise funds (Barringer, 2019).

However, there is some disadvantages, such as higher cost compare to sole proprietorship. Moreover, is more complex and costly compliance obligations, and Financial and ownership information must be made public. In summary,

an LTD offer more protection and credibility but comes with more regulatory complexity and costs.

2. Industry analysis

Porter's 5 Forces Model

Here is how P5F Model applies to N2 Sweet Lab :

A. Competitive Rivalry - Medium to High

- Local Competitors - N2 Sweet Lab faces competition from other local confectionery shops and bakeries in Maidstone and the broader Kent area. These competitors may offer similar products, such as cakes, chocolates, and bespoke sweets.

- Differentiation - N2 Sweet Lab differentiates itself through its unique offerings, such as locally sourced ingredients and innovative flavour combinations. Their bespoke cakes and collaborative productive products with local artisans also help them stand out (Produce in Kent, 2023).

B. Threat of New Entrants - Medium

- Barriers to Entry - The confectionery business has relatively low barriers to entry, meaning new competitors can easily enter the market. However, establishing a strong brand and a loyal customer base takes time and investment.

- B. Niche Market - N2 Sweet LAB's focus on high quality, artisanal chocolates and bespoke cakes provides a niche that might be harder for new entrants to replicate quickly (N2 Sweet Lab Ltd, 2023).

C. Threat of substitutes - High

- Substitute Products - Customers have many alternatives to N2 Sweet Lab's offering, such as other sweets, desserts, and confections from supermarkets, speciality stores, and online retailers.

- Health Trends - Growing consumer trends towards healthier eating habits and sugar free products could also pose a threat, although the artisanal and high quality positioning of N2 Sweet Lab might mitigate this to some extent.

D. Bargaining Power of Suppliers - Low to Medium

- Supplier Relationships - N2 Sweet Lab sources ingredients locally, which can strengthen relationships with suppliers and possibly reduce costs. However, if these local suppliers have few competitors, their bargaining power increases.

- Quality and Consistency - Ensuring consistent quality and availability of unique ingredients, such as local honey and lavender, is crucial for maintaining product standards, which may give some power to suppliers.

E. Bargaining Power of Buyers - Medium

- Customers Choice - with many alternatives available, customers have significant power in choosing where to buy their confectionery and cakes. However, N2 Sweet Lab's focus on quality, uniqueness, and customer experience helps mitigate this power.

- Customer Loyalty - Building a loyal customer base through exceptional service, unique offering, and community engagement (workshops and bespoke services

for example) can reduce the bargaining power of individuals buyers.

N2 Sweet Lab Ltd operates in a competitive environment with moderate to high levels of rivalry and the threat of substitutes. The barriers to entry are relatively low , but the company can leverage its unique selling points, such as local ingredients and bespoke products, to create a niche market. Supplier power is generally low, though maintaining high quality and consistent supply is crucial. Buyer power is moderate but can be mitigated by fostering customer loyalty and providing unique, high quality products.

3. Competitor Analysis

Competitors	Strengths	Treats
Hotel Chocolate	Recognisable, Strong Brand on the market. Financial Stable and large variety of products and services.	Mass production and less flexibility for customising and personalisation.
Greek Bakery	Local bakery with big variety of product such as savoury, desserts and cakes.	Low quality products
Cake Box	Recognisable, Strong Brand on the market. Financial Stable and large variety of products and services.	Mass production, low quality of ingredients
Temper Temper	Proved as name for workshop and experience. Good customers engagement and feedback.	Location

Table 1

4.VRIO

○ Values

N2 Sweet Lab offers a unique value proposition through its dedication to high-quality, handcrafted sweet treats. This commitment to excellence is reflected in several ways: artisanal craftsmanship, where all products are handmade with great attention to detail, ensuring superior quality and taste; the use of local Kent flavours such as honey, lavender, coffee, and gin, adding a unique regional twist to their offerings while supporting local agriculture; and a strong focus on customer experience by providing personalised service and accommodating special requests, enhancing overall satisfaction.

○ Rarity

N2 Sweet Lab's offerings are rare due to the combination of traditional confectionery skills with innovative flavors and techniques, setting them apart from typical dessert shops. Their unique product range includes a variety of sweets like bonbons, macarons, individual and celebration cakes, and chocolate bars. Furthermore, their commitment to integrating local flavours from Kent into their products is uncommon and highly distinctive, appealing to both locals and tourists. The professional background and continuous learning of founders Ned and Nina in the field of confectionery arts also contribute to the rarity of their offerings.

○ Inimitability

The factors that make N2 Sweet Lab's offerings inimitable include proprietary techniques and recipes developed by the founders, which are challenging for competitors to replicate. Their creative innovation, involving continuous experimentation with new flavours and techniques, ensures that N2 Sweet Lab remains ahead of trends and offers something truly special. Additionally, the personal connection with customers and the ability to fulfil bespoke orders quickly is not easily replicated by larger, less flexible competitors. This combination of unique processes, creative flair, and personalised customer service creates a significant barrier to imitation.

5.Organisation Support

N2 Sweet Lab benefits from strong organisational support through strategic planning, where they utilise quieter times to develop strategies and plan new product launches, ensuring continuous growth and improvement. Their commitment to high-quality standards, particularly in using premium ingredients despite economic challenges, helps maintain product quality and customer loyalty. Moreover, their approach to team management, creating a supportive, family-like environment for staff, fosters a motivated and creative workforce, which is crucial for maintaining high standards and innovating. This comprehensive organisational support structure ensures that N2 Sweet Lab can consistently deliver its unique value proposition to customers, maintaining its competitive edge in the market.

6. Operation and management

○ Management Plan

To ensure the business operations run smoothly and the company is prepared to seize new opportunities and explore new markets, the management team must be well-trained and effectively implemented. There are five essential roles needed to ensure all operations run seamlessly:

- **Working Director** - This individual must possess vision, motivation, and critical thinking skills to drive the business forward. They set the strategic direction and oversee overall operations.
- **Chocolatier** - This role is responsible for production and managing the back-of-house operations. The chocolatier ensures that all products meet quality standards and production schedules.
- **Marketing Manager** - The marketing manager develops marketing strategies, manages social media and online presence, and analyses market trends to enhance brand visibility and drive sales.
- **Sales & Customer Service** - This role manages the online store, assists with customer inquiries, and handles complaints. They ensure a high level of customer satisfaction and smooth online transactions.
- **Crossover Training** - The ability to train new employees is crucial. This ensures that all team members are well-versed in multiple roles and can maintain operational continuity.

Implementing these roles with clear responsibilities ensures that N2 Sweet Lab operates efficiently, maintains high standards, and is positioned for growth and market expansion.

- Operations

- *Production* - The menu is designed on two part: long shelf life (production twice a month) and short shelf life (daily or preorder only). That will reduce the pressure on the production line.
- *Quality Control* - Strict adherence to quality control standards to maintain the high quality and consistency go products.

- Supply chain Management - *Supplier Relationship* - Building and maintaining strong relationships with local suppliers to ensure a steady supply of high quality ingredients. Moreover, monitoring inventory levels to ensure optimal stock without overstocking, reducing waste and managing costs.

- Customisation

- *Bespoke Orders* - Working closely with customers to create custom cakes and confectioneries for weddings, birthday, corporate events, and other special occasions.
- *Workshop and Classes* - Organising and conducting workshops to engage with community and teach chocolate making techniques.

- Reaching Customers

- *Marketing Campaigns*: Utilising both online and offline marketing campaigns to reach a wider audience. This

includes social media advertising, email marketing, and participating in local events and fairs.

- Social Media Presence - Actively engaging with customer testimonials to build a loyal following.
- Website and Online Store - Maintaining a user friendly website with integrated online store, SEO optimisation.

7. Business Process and Suppliers Channels

○ Sourcing Ingredients and Supplier Relationships

Most of the ingredients are sourced from multiple local suppliers in Kent, ensuring high-quality and fresh ingredients such as honey, lavender, and dairy products. Nevertheless, engaging with local suppliers reduce the dependency on any single source and maintain quality to adhere with the total quality management system of N2 Sweet lab. Strong relationships with local farmers and producers are maintained to secure a consistent supply and possibly negotiate better terms. Fine quality chocolates are sourced only from approved suppliers, maintaining close connections with them for marketing and advertising purposes (Produce in Kent, 2024).

○ Production

Most of the products are made using traditional methods combined with innovative techniques, ensuring high quality and uniqueness. We implement Total Quality Management (TQM) to ensure each product meets the highest standards. This includes daily tastings with the team and strictly following company recipes to ensure consistency. Taking

preorders for our most expensive products reduces the risk of wastage.

○ Packaging

Using sustainable packaging to appeal to environmentally conscious consumer. Offer custom packaging for special orders to enhance the customer experience.

○ Distribution

- *Local Deliveries* - Utilize local delivery services for quick and efficient distribution in Maidstone using takeaway food platform such as Just Eat, Deliveroo and Uber eats to help the brand be recognised in the locals and help with the marketing.
- *In-store Pickup* - Customer can pick up their own orders directly from the shop.
- *Online Sales* - Expand reach by selling products through an e-commerce platform.

8.Sales Projection

Table 2

Products	Units Volume	Selling Price £	Total Monthly Revenue Projection
Chocolate Bonbons	3000	1.5	4500
Chocolate Truffles	200	1	200
Chocolate Bars	20	5	100
Bespoke Cakes	20	80	1600
Workshop Tickets	40	40	1600
Individual treats	200	5	1000
			9000

Quarterly Sales Projection:

The Following sales projection is based on N2 Sweet Lab's historical data , market analysis, and anticipated trends. These projections assume steady growth and successful implementation of marketing strategies and communication.

	Quarterly Sales Projection:	Total Revenue (£)
Q1	9000 x 3	27,000
Q2	9000 x 3	27,000
Q3	9000 x 3	27,000
Q4 increase 20% due to holiday season	9000 x 3 x 1.2	32,400
Total Annual Revenue		113,400

Table 3

These projections provide a framework for planning and financial forecasting, helping guide business decisions and strategies for N2 Sweet Lab Ltd. Adjusting the Mouny and quarterly figures ensures alignment with the overall revenue of £113,400

9. Marketing Plan and Strategy

To make the marketing strategy more structured, we will implement the 4P's framework, and for additional detail, we will include the 3P's..

- Product - To meet customer demands, N2 Sweet Lab offers top-notch quality by sourcing fresh local ingredients.

We provide bespoke cakes and gift boxes tailored to individual preferences. We engage customers through workshops and unique flavour combinations. Additionally, we use eco-friendly packaging to attract environmentally conscious consumers.

- Handcrafted Chocolates and Confectionery - using traditional methods and innovative techniques.

- Locally Sourced Ingredients - high quality ingredients such as honey, lavender and dairy product from Kent.

- Unique and Seasonal Flavours - Regularly updated product line with seasonal and limited edition offering.

- Bespoke Cakes and Gift Boxes - Personalised options for special occasions.

- Workshops - Chocolate making workshops to engage with the community and provide a unique experience.

- Place

- Shop Location: 84 King Street, Maidstone, Kent, ME14 1BH. Centrally located to attract both locals and tourists with plenty of parking space available around. A welcoming atmosphere where customers can see and taste products before purchasing.

- Distribution Channels - Primly sales trough the physical store. Expanding reach through an e-commerce platform, offering home delivery (Deliveroo, Just Eat, Uber Eats, Click and Collect) and in store pick up options. Participating in community events to increase visibility and reach new customers.

- Price

- Premium Pricing - Reflecting the high quality of ingredients and craftsmanship
- Product Range - offering a range of products at different price points to cater to various customer segments.

Justifying the premium pricing with superior taste and quality. Offering personalised product and interactive workshops that add value beyond the products itself.

- Promotion

- Social Media Marketing - Engaging customers through Instagram, Facebook and TikTok with visually appealing posts and updates.
- Email Marketing - Sending newsletters with promotions, new product announcements, and workshop schedules.
- Local Advertising - Flyers, local newspapers and community boards to reach local customers.
- Collaborations - partnering with local business and influencers to expand reach and credibility
- Seasonal Promotions - special discounts and limited edition products during holiday and festivals.
- Loyalty programs - rewarding repeat customers with discounts and exclusive offers.
- Workshops and events - Hosting events. To engage with the community and promote brand awareness.

- Additional 3P's

- People - Friendly and knowledgeable staff to enhance the in-store experience. Skilled chocolatiers conducting workshops to educate and entertain customers. Actively

seeking and acting on feedback to improve products and services.

- Process - Streamlined in-store and online purchase processes. Quick turnaround for custom orders and pre-orders. Implementing Quality Management (TQM) to maintain high standards.

- Physical Evidence - A well-decorated shop that reflects the brand's premium and artisanal nature. Packaging is eco-friendly and aesthetically pleasing packaging that reinforces the brand's quality and values. Online presence with well-designed website and active social media profiles that showcase products and engage with customers.

10. Financial plan

The financial plan for N2 Sweet Lab outlines the expected income, expenses, and profitability over the next year. This plan includes startup cost, operating expenses, revenue projections, and profitability analysis.

- Startup Costs

Item	Cost (£)
Shop Lease	3000
Equipment	3000
Initial Inventory (ingredients)	500
Marketing and Branding	50
Licences and Permits	300
Website Development	50
Miscellaneous	100
Total Start Up Costs	7000

Table 4

○ Operating Expenses

These are the ongoing expenses to run the business.

Item	Monthly Cost (£)	Annual Cost (£)
Rent	1000	12000
Utilities (Electricity, Water, etc.)	1000	12000
Salaries and Wages	2000	24000
Marketing and Advertising	200	2400
Ingredients and Supplies	800	9600
Insurance	200	2400
Maintenance and Repairs	50	600
Miscellaneous	100	1200
Total Operating Expenses	5350	64200

○ Profitability Analysis

Table 5

Annual Profit/Lost Calculation

Description	Amount (£)
Total Annual Revenue	113,400
Less: Total Operating Expenses	64200
Net operating Income	49200
Less: Startup Costs	7000
Total Profit/Loss	42200

Table 6

○ Financial Summary Table

Item	Monthly (£)	Annual (£)
- Chocolate Bonbons	4500	54,000
- Chocolate Truffles	200	2,400
- Chocolate Bars	100	1,200
- Bespoke Cakes	1600	19,200
- Workshop Tickets	1600	19,200
- Individual Treats	1000	12,000
Total Revenue	9000	108,000
Fixed Costs		
- Rent	1000	12,000
- Utilities	1000	12,000
- Salaries and Wages	2000	24,000
- Marketing and Advertising	200	2,400
- Insurance	200	2,400
- Maintenance and Repairs	50	600
- Miscellaneous	100	1,200
Total Fixed Costs	4550	54,600
Variable Costs		
- Ingredients and Supplies	800	9,600
Total Variable Costs	800	9,600
Total Operating Expenses	5350	64,200
Profit/Loss Calculation		
- Total Revenue	9000	108,000
- Total Operating Expenses	5350	64,200
Profit/Loss	3650	43,800

N2 Sweet Lab is a company started during the COVID-19 pandemic, trading from home and generating a decent income and customer base. We managed to save some of the profits, and along with some of our savings, we were able to fund the start up costs for the official public opening.

In summary the financial plan indicates that N2 Sweet Lab is project to generate an annual profit of £43,800 after covering all fixed and variable costs. The startup cost of £7000 is sourced from personal savings . This detailed financial analysis provides a clear picture off the business's financial health and funding strategy.

11. Closing Summary

N2 Sweet Lab Ltd is a dedicated and passionate confectionery business established during the COVID-19 pandemic, starting from a home-based operation and evolving into a thriving local enterprise. With a mission to create exceptional chocolate and confectionery experiences, we focus on using high-quality, locally sourced ingredients from Kent to produce handcrafted desserts that blend tradition with innovation. Our bespoke offerings and engaging workshops aim to foster a community of sweet enthusiasts who appreciate the artistry and passion behind every bite.

Our strategic marketing plan leverages the 4P's (Product, Place, Price, Promotion) and the additional 3P's (People, Process, Physical Evidence) to ensure we meet customer demands and build strong brand loyalty. We offer unique, high-quality products tailored to individual preferences, sell

through convenient and accessible channels, set competitive pricing, and promote our brand through effective communication and engagement with our community.

Financially, N2 Sweet Lab projects an annual revenue of £108,000, with a net profit of £43,800 after covering all fixed and variable costs. The initial startup costs of £7,000 were funded through a combination of saved profits, personal savings, and potential external funding sources. Our break-even analysis shows a revenue requirement of approximately £59,921.08 to cover all costs and start generating profit.

The business structure of N2 Sweet Lab as a limited company offers protection for personal assets, credibility with customers and investors, and potential tax benefits. While there are complexities and higher costs associated with this structure, the advantages outweigh the challenges, providing a solid foundation for growth (Williams, 2023).

In summary, N2 Sweet Lab is well-positioned to capitalize on the growing demand for high-quality, artisanal confectionery. With our commitment to quality, innovation, and customer satisfaction, we aim to create delightful experiences and foster a loyal customer base. Our comprehensive marketing and financial strategies ensure sustainability and profitability, paving the way for future expansion and success.

12.Referencing

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