

Sample Home Based Bakery Business Plan Template

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CAKE BUSINESS
OWNERS CLUB

School for Cake Business Owners

OVERVIEW

• Bakery Industry Overview

The bakery industry has come a long way, and will continue to evolve with countless of bakers bringing creativity into the industry. The Baked foods production has been in existence for a long time.

Bread and all flour based foods are generally consumed by almost everybody in our planet; as such, anyone who chooses to establish a bakery in any part of the world is sure going to get good returns on his or her investment, as long as they are doing the right things when it comes to running a business.

Aside from bread which seems to be the face of the bakery industry, cake is also one of the products of the bakery commerce that is doing pretty well in the market all over the world. Yes, people eat bread and other flour made snacks on a daily basis, but you would quite agree that cake making is also one of the major money spinners for bakers.

Although not all bakers are specialized in cake making, but those who are into the art, alongside bread and other snacks, are the ones who seem to be maximizing the bakery industry. The fact that people order for cakes during their special events like birthday parties, wedding ceremonies, wedding anniversaries, and other memorable occasions, makes the bakery business a high – in – demand business.

MARKET ANALYSIS

• Market Trends

When it comes to breads, cakes, and snacks etc., everyone may want to quite agree that the market trend changes a lot. Bakers are seriously researching and creating flavors and varieties that will keep them afloat in the bakery business. Any baker who wants to remain relevant in the scheme of things in the industry must be willing to explore the ‘bakery world’; he or she must be able to come up with a product that tastes unique from what is readily available in the present market.

In view of the above stated fact, we have hired the best of hands available in Lagos to work with us in becoming a pacesetter when it comes to exploring and producing products with tastes that can meet the demand of the markets that is available to us in the cities where our bakeries are located. Part of the marketing and sales strategies that we will adopt include but not limited to the following;

- Open our bakery with a bang – big launch party
- Neighborhood, door to door and mouth to ear mode of advertisement to introduce our business
- Engage in road shows (make some open air noise) to introduce our business
- Create same products in different sizes, with different prices and perhaps a little lower than the prices of similar products in the market
- Start a YouTube channel in line with our business goal and objectives
- Sponsor relevant events, such as bakery competitions and wedding shows on TV et al.

TARGET MARKET

- **Our Target Market**

We are quite aware that the target market for bakery products cut across people of all walks of life. Since everybody needs food to survive; we are prepared to meet the needs of as much people as we can, within the various locations our bakeries will be located.

It is indeed difficult to create a list of the people we intend selling our bakery products to. because everybody needs what we have to offer except for our trainings and consultancy services. Here are just a few of the people / places that we intend selling our products and services to:

- Families
- Mothers
- Schools
- Supermarket
- Shopping Malls
- Wedding Ceremonies
- Event Planners
- Leisure Centres
- Offices
- Aspiring Entrepreneurs (Those who want to learn baking)

SWOT ANALYSIS

- **Our Competitive Advantage**

There is hardly any city in the Nigeria and perhaps in other parts of the world where there isn't at least one bakery. People eat bread, cakes and snacks in all parts of the world and as such loads of people are already running their bakery businesses. We are not ignorant of the fact that there are a lot of standard bakeries in Nigeria, but that will not deter us from forging ahead to set – up our own bakery company.

Our Company has a couple of factors that is counting as a positive for us; our competitive advantage in the market place. One of our competitive advantage is that we are one of the few bakery companies that is not only involved in the sale of breads, cakes and snacks but also operate an accredited bakery school where professional bakers are hatched and sent forth to start their own bakery business or manage their home based cake business properly.

The fact that we offer consultancy services in line with what we do, gives us an edge over other bakery companies in Nigeria. We are of the view that if we are able to get it right from the outset, it will likely take us less time than projected for us to be amongst the top 5 bakery company in the whole of Nigeria.

SALES AND MARKETING STRATEGY

• Marketing Strategy and Sales Strategy

We are quite aware that the market for breads, cakes and snacks is on the increase and won't plummet anytime soon, and we are also aware that loads of entrepreneurs in Lagos are into the sale of almost all the products that we have on our stable, save for the consultancy services that we render and the bakery institute that we operate.

In view of that, we have been able to work out plans that will help us win a large percentage of the available market in the cities where our bakeries located.

For the reason of the business goals that we have set for ourselves, we will continue to explore and improvise, so that we will remain relevant in the market place. In a nutshell, we will explore the following marketing and sales strategies to promote our bakery business;

- Direct Marketing
- Facebook Ads
- Erect Our Billboards in Strategic locations around the city
- Sales Reps
- Online Marketing (via our official website, social media platforms and blog et al)
- Referral Marketing
- Promotion of our products during our training sessions in our Bakery Institute

• Our Pricing Strategy

Part of our strategy for entering the market is to leverage on pricing in gaining a good percentage of the available market. The fact that we are going to be selling our products a little bit below the market price does not in any way mean that we will compromise our quality and quantity.

As a matter of fact, we have perfected strategies to ensure that we are shoulders higher than our competitors in terms of quality and quantity.

• Payment Options

Our payment policy is all inclusive, because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that will be available in every of our outlets;

- Payment by cash
- Payment via Point of Sale (POS) Machine
- Payment via online bank transfer (preferably for those that will order our products and would want us to deliver it to them, those who want to attend our bakery institute training, as well as for payment for our consultancy services)
- Payment via check (preferably for those who will order our products and would want us to deliver it to them, those that want to attend our bakery institute training, as well as for payment for our consultancy services)
- Payment via Mobile money

In view of the above, we have chosen banking platforms that will help us achieve our plans without any hitch

- **Publicity and Advertising Strategy**

Bakery business especially products like breads and confectionaries might not necessarily need huge budget for publicity and advertisement.

Aside from our consultancy services and bakery institute, we don't intend to spend huge amount for publicity and advertisement. We have perfected plans to maximize the recourse we have, to get the result (sales) that we require to make profits and expand the business. Here are the platforms we intend in making use to promote and advertise our business;

- Place adverts on both print and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like; Instagram, Facebook etc.
- Install our Bill Boards on strategic locations
- Engage in road shows from time to time
- Distribute our fliers and handbills to targeted areas from time to time

- **Generating Funding / Start-up Capital for Top Taste Confectionaries**

We don't have the intention of bringing business partners outside the family to invest in the business, which is why we have restricted raising our start up capital to;

- Generate part of the start – up capital from personal sources
- Source for soft loans from family members and friends
- Apply for loan from the bank

N.B: We have been able to generate about N150,000 and we are at the final stage of obtaining a loan of N500,000 from our bank. All the papers and document have been signed and submitted, the loan has been approved and any moment from now our account will be credited.

- **Sustainability and Expansion Strategy**

We don't have the plans to invest hugely in our bakery business and watch the business fold up or struggle to make progress. We have perfected our strategies on sustainability and expansion. Part of what we will do to stay relevant in the bakery business is to strive to maintain or increase of quality and quantity, to run bakery trainings and also offer consultancy services. We have perfected plans to triple our sales every year and we also have plans to open different outlets of our bakery in different locations in Lagos and other key cities in Nigeria

CHECKLIST/ MILESTONE

- Business Name Availability Check: **Completed**
- Business Registration at the CAC: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Renting of Facility and Construction of the Bakery: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from family members and friends: **Completed**
- Applications for Loan: **In Progress**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of c employees: **In Progress**
- Purchase of the Needed furniture, electronic appliances and bakery equipment: **In progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and in the neighbourhood: **In Progress**
- Health and Safety and Fire Safety Arrangement: **In Progress**
- Opening party / launching party: **In Progress**
- Compilation of our list of products and detailed recipe: **Completed**
- Arrangement for trainers and training facility: **In Progress**
- Establishing business relationship with vendors – suppliers of all our needed raw materials: **In Progress**
- Purchase of delivery vehicles: **In Progress**