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Business Plan

Introduction

Cake-Me-Away is a home-based cake company founded by Simona Dumitrasco as the sole owner. The sole trader is the one who is self-employed, who owns and operate their own business. Dumitrasco, as a sole trader, is personally liable for her business liabilities as well as her personal assets will be at risk if the creditors cannot be paid on time (Pitfield, 1982).

Mission Statement and Objectives

The mission statement of the Cake-Me-Away "to make the finest and quality freshly baked containing all-natural and fresh ingredients cake, with a sophisticated abstract style and looks and a touch of hazelnuts, chocolate mousse and a bit of ice cream and euphoric concoctions with environment-friendly business practices." The objectives of cake-me-away are to produce cake decorating business by introducing new services and design which are not mainstream. As abstract style cakes are not very common, Cake Me Away will offer unique abstract styles including graffiti. In addition to this, cake-me-away aims at enhancing the customer's satisfaction and help them develop new tastes. Thus, keeping this in mind new flavor blends will be offered. Similarly, the strategic objective of the business is to increase the communications with customers so that their feedback will be reviewed and analyze their preferred products and their buying power. Cake-Me-Away is conscious that taste matters for the consumers and a slight error in making a cake can ruin the taste. Hence, the objective of Cake-Me-Away is to deliver a

perfectly baked cake with a perfect blend of ingredients, thus making it delicious or precisely cakelicious. Cake-Me-Away is also mindful of plastic and general waste; therefore, the company aims to reduce plastic use. So, the packaging box and bag will be reusable and can be washed so later usage.

Products and Services Offered

Every business has its unique business product as well as services as it is imperative to sustain in a competitive business environment (Jones, 1999). Cake-Me-Away will offer cake decoration services as well as cater the events such as birthdays and marriages. Cake-Me-Away will also provide customization services to cake lovers as well so that they can get whatever they want. In addition to this, Cake-Me-Away will offer cupcakes, as per the customer demands and requirements. Likewise, Cake Me Away will offer its cake services to the nearby offices as well because it has been observed that the offices now celebrate the birthdays of their employees. Cake Me Away will offer its customized cake as well as a complementary cupcake box as a gift. This kind gesture would help Cake Me Away retain its customers and it will manifest that Cake Me Away care for its customers (Abudraham and Ortiz Piña, 2010). Furthermore, using personal lawn, Cake Me Away will also outdoor birthday decoration services which would for 10 people only. Similarly, Cake Me Away is well aware of this COVID-19 and its adverse impacts, therefore, Cake-Me-Away will offer free delivery services to customers living in near localities. Not only this but Cake Me Away will also offer decoration services to make the special day more special for its customers. As we are living in the digital era, every individual has a smartphone, so Cake Me Away aims at creating a mobile application through which individuals can customize their cakes and

place orders (Abudraham and Ortiz Piña, 2010). Cake Me Away will offer to drive-thru services to these individuals so that they do not have to wait in the queue.

Location and Equipment Required

As the Cake-Me-Away is a homemade cake company, thus the location will be **XYZ (Please put your home address here)**. All the operations will be managed at home. The car garage will be used as a kitchen as well as the warehouse. This car garage will work as a drive-thru also because the customers will be able to pick their cakes while sitting in their cars. As it is a home-based cake company, there will be no other business outlet.

Equipment plays a crucial role in making a perfect blend and mixture for the cake. If the flavors are not perfectly mixed or blended, the customer will find the cake just tasteless or to be more precise unpleasant (Li and Walker, 1996). Cake Me Away is conscious of taste that is why it will use modern-day equipment. The equipment required for the cake business will include the following,

- Cake tins
- Cooling rack such as non-stick cooling racks
- Shaker
- Steel mesh shaker
- Icing smoother
- Ingredient or food mixer
- Baking parchment
- Food processor

- Marzipan spacers
- Measuring jugs
- Mixing bowls
- Palette knife
- Brushes
- Baking pans
- Cupcake or muffin pans
- Oven

Human Resource and Job Roles

The business must have a committed and skilled human resource because it is the human resource that ensures that the business is accomplishing its objectives (Power, 2004). Keeping this in mind, Cake Me Away will ensure that it has experienced as well as skilled human resource. As it is a home-based business, only five people will be hired to carry out all the important tasks and manage the operations. Each individual will have different and specific responsibility. As mixing up of the ingredients is a challenging task as well as an important task because if the ingredients are not perfectly mixed, it affects the taste (Majimbun et al., 2010). Therefore, one individual will be given the task of mixing the ingredients only, so that he can diligently mix up the ingredients. The second most important task is baking the cake. It requires keen observation that how much time a cake will require to be perfect. If the bread of cake is not perfectly baked, it will be ruined the taste as well. Hence, one person will be given the responsibility of baking. For the perfect look of the cake, it is imperative to ensure that the cake is well decorated. As we know that cake decoration is an art, a therefore skilled and experienced individual will be

hired for just decoration (Majimbun et al., 2010). The number of cake decorators will be increased in near future to cater large orders. The fourth person will cater to the orders and ensure packaging. As Cake Me Away is offering delivery services; therefore, the fifth person will be responsible for the cake deliveries. The business will source these people from a local bakery that is closed down due to this COVID-19. Using their expertise, Cake Me Away aims at delivering perfect customized cakes to valuable customers. As making a perfect abstract cake requires diligent blending and designing, individual skilled and experienced in decorating will be hired and will be provided with required equipment so that he is able to deliver more than what a customer is expecting.

Marketing and Promotions

We are living in the modern age where marketing plays a crucial role to attract customers. With the growing awareness of marketing, companies are resorting to marketing especially social media marketing. Social media provides very effective and efficient marketing (Saravanakumar and SuganthaLakshmi, 2012). With the help of social media's customized marketing options, Cake Me Away will target its target audience. Keeping the importance of social media, Cake Me Away will emphasize social media channels for the promotions. The promotions will be done through Facebook advertisement because Facebook offers a variety of options (Kiumarsi et al., 2014). A business can choose the target market precisely by selecting age group, locality, individuals interests and many more. Cake Me Away will target the food groups as these groups are the perfect places constituting the right target audience. Another social media channel that is effective for food marketing is Instagram (Zakariah et al., n.d.). Through Instagram marketing, Cake Me Away will advertise its cakes and target the foodies. The

Instagram food pages will be targeted. There is another growing trend of food bloggers and people follow them whole heartedly. Thus, Cake Me Away will invite food bloggers and will provide them with free samples for review. Another effective social media channel is YouTube through which Cake Me Away will post short five-second videos. Though social media is an effective way of marketing the product; traditional media also plays an important role. Thus, brochures will be distributed among the offices and individuals. The brochures will also be placed in super markets to reach the target audience. Soon, free samples will be distributed among individuals at super markets. These social media marketing strategies will be useful in this pandemic as the usage of social media has increased by 60% in this pandemic.

Financial Resources

Financing plays an important role as no business can be started without having adequate finances. Adequate financing helps in running the business operations as well as making purchases such as ingredient, packaging, equipment and bike for delivery services (Abudraham and Ortiz Piña, 2010). In the beginning businesses also need financing to pay the utility bills and salaries of the employees. There are two options for financing, one is equity, and another is debt (Cassar, 2004). The business will comprise 60% equity and 40% debt. The debt will be acquired from the friends and local bank which support the start-ups. Total budget is around 100,000 GBP which will be utilized for purchasing the equipment, ingredients and packaging materials. Seeking loan from the bank will be the last option as in the beginning business will not be able to repay. Financing will be sought from Business incubation center which offers financial support of up to 25,000 GBP to start-ups (Pettersen et al., 2015). There is another feasible option

which is venture capitalist and angel investors. They are high-net individuals who invest their personal money. The most beneficial aspect of angel investor is that they provide required skills and expertise as well which helps you in managing the business operations (Prowse, 1998). There is one angel investor who is willing to invest 30,000 GBP. Both the options seem feasible; however, angel investor is asking for 20% equity in return. Therefore, business incubation option seems more viable. Through these financing methods, business operations will be managed and operated.

Cake Me Away Strengths, Weaknesses, Opportunities and Threats

Strengths

The business's strengths are that it is the first to try an abstract style of cakes in the city. As there is no other bakery which is offering abstract cakes as well as the delivery services. Therefore, it will be break through in the locality. There are around potential 70,000 people living in the locality, and currently only one bakery is operating, so there is an opportunity. Secondly, it will provide an authentic home-baked cake taste, and cakes will be baked on orders, ensuring freshness (Rahmatullah et al., n.d.). The existing bakery follows the business model of making cakes in the morning and selling them throughout the day. If the cake is not freshly baked, it loses its taste therefore, Cake Me Away will provide freshly baked cakes only. Similarly, mobile application is also a strength as it will be one of its kind and allow the individuals to create their own designs.

Weaknesses

While the weaknesses of the business are it is home-based, there is limited space for the kitchen, thus making it difficult to manage multiple orders at a time (Rifqi, 2018).

Likewise, due to low inadequate it is difficult to manage large inventories. So, the business will have to purchase ingredients on day-to-day basis.

Opportunities

The opportunity for Cake-Me-Away is that abstract cake and customized cakes demands are very high in the locality, and there is only one bakery nearby that often serves stale cakes; therefore, there is a huge demand in the market for customized and fresh cakes. Likewise, the existing bakery does not offer cupcakes and donuts. As there has been observed that there is a demand of cupcakes and donuts as well, Cake Me Away is offering donuts as well as cupcakes to cater the demand.

Opportunities

The threat is that the business has limited space; therefore, there will be supply shortages. The competitor bakery has a large space which can handle a large inventory. Therefore, they purchase the ingredients in bulk which costs them less (Gusheva and de Gooyert, 2021). Secondly, finding new ingredients in a lockdown situation is also a difficult task. Cake Me Away focuses on providing different and unique flavors; however, it is difficult to find these unique flavor and ingredients during this pandemic. While the bakery has a supplier, who supplies all the required ingredients; therefore, making them more responsive to the customer demands. Furthermore, the prices of the raw material fluctuate on almost weekly basis due to pandemic adversely hit the economy.

Projected Cash Flows

Cash Flow Projections													
Cash Recived	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Beginning Cash Balance	25,000	30,000	35,000	40,000	45,000	50,000	60,000	70,000	80,000	90,000	100,000	120,000	
Cash Sales	2500	2750	3025	3327.5	3660.25	7686.525	8455.178	9300.695	10230.76	11253.84	34886.91	38375.6	
Other Cash Received													
Total cash available	27,500	32,750	38,025	43,328	48,660	57,687	68,455	79,301	90,231	101,254	134,887	158,376	
Cash Disbursed													
Salaries	10,500	10,500	10,500	10,500	15,500	15,500	15,500	15,500	23,000	23,000	23,000	23,000	
Utilities	2500	2500	2500	3500	3500	3500	3500	4500	4500	4500	4500	4500	
Reapir and Maintenances		2000	2000	2000	2000	3000	3000	3000	3000	3000	3000	4000	
Purchases	6000	4500	5000	5200	5600	6000	6400	6800	7200	7600	8000	8400	
Advertising	1500	1500	1500	1500	1500	1500	1500	3000	3000	3000	3000	4500	
Loan Payments						6000		6000		6000		7000	
Total Distbursement	20,500	21,000	21,500	22,700	28,100	29,500	29,900	32,800	40,700	41,100	41,500	44,400	

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