



Business Plan for Cathy's Cafe



Description of the product or service

Cathy's Café will sell a variety of hot and cold drinks as well as a range of cakes and buns produced onsite. They cater for a range of requirements, vegan, lactose intolerant and gluten free.

Description of the entrepreneur / owner

Ms. Cathy O'Shea has a Leaving Certificate with four honours and two passes and a certificate in catering studies from the local Institute of Technology. She has five years' experience working in Mary's Cakes Bakery. She has invested €8,00 to start the business and owns 100% of the shares.

Management

The business will be set up as a limited company. Overall responsibility for production, finance and marketing will rest with Ms. O'Shea. As the business grows, full-time production staff will be hired.

Production

The business will require premises that are convenient for making and receiving deliveries, two large ovens for baking, four mixers and a delivery van. The necessary raw materials flour, fruit, eggs, tea bags, coffee, milk etc will be sourced easily from local wholesalers or farmers. For customised orders, a job production method will be used. For orders of two or more identical cakes, a batch method will be used. Initially, a part-time assistant with relevant experience will be hired to help with the baking. Quality will be maintained through proper staff training and regular inspections throughout the production process.

Marketing

Cathy's Café's USP is providing cakes that cater for dietary requirements such as vegan, lactose free and gluten free. Currently there is no direct competition for production of cakes with dietary requirements in the local area but there is many cafes in the town competing for this type of trade. Her target market is locals meeting for tea, coffee, cakes and a chat and also occasion cakes with dietary requirements

Product: The cakes will contain no artificial ingredients and will be baked to the highest quality standards. They will be packaged in an eye-catching cardboard box, tied with a simple ribbon. They are made to order and can be made to meet dietary requirements

Price: Cathy's Café will use premium pricing. All goods will be sold at a slightly higher price than competitors' products to reflect quality of the product.

Place: Cakes will be distributed through Café's Café and will not be available elsewhere. They can be ordered in the café, by phone, facebook or online.

Promotion: Free samples will be distributed through stands at local fairs and shows. Advertisements will be placed in local papers and on the side of the delivery van.

Finances

| | |
|--|----------------|
| Expected start-up costs | €30,000 |
| 3 year rent of premises | €20,000 |
| Purchase of equipment | €30,000 |
| 3 year lease of van | <u>€40,000</u> |
| Working capital (to pay wages, electricity and other expenses until sales take off) | |

Total start up finance required €120,000

Sources of finance

| | |
|------------------|---------|
| Personal savings | €8,000 |
| Grant | €25,000 |
| Bank loan | €87,000 |

Profitability

It is expected that Cathy's Café will make a loss for the first two months before coming profitable.

| Projected monthly profits | Month 1 | Month 2 | Month 3 | Month 4 |
|---------------------------|---------|---------|---------|---------|
| Sales Income | 0 | 4,000 | 8,500 | 11,000 |
| Running Expenses | 6,000 | 6,000 | 6,000 | 7,000 |
| Projected monthly profits | -6,000 | -2,000 | 2,500 | 4,000. |

