***CHAPTER ONE:***  **BUSINESS DESCRIPTION.**

***1.1 BUSINESS NAME:***

The business will operate under the name Kimnic BAKERS. It will be a sole proprietorship that will employ qualified and skilled employees that will help me operate the business. Our staff will operate with a company uniform that will have their bakery logo and the name of the bakery on each uniform. The business name was delivered from the owners name Kimathi.

***1.2 LOCATION AND ADRESS:***

The business will be located at Muthiga along Waiyaki way and the business will be just next to Jacmil supermarket.

Uthiru From Nairobi

From Thika

KIMNIC

BAKERS

The business will operate under the following contacts:KIMNICBAKERS*,*

*P.O BOX 88*

*KIKUYU*

***1.3 PRODUCTS AND SERVICES:***

We will be offering the following products:

* *Cookies*
* *Wedding cakes*
* *Birthday cakes*
* *Baby shower cakes*
* *Graduation cakes*
* *Muffins*
* *Biscuits*
* *Blue berry cheesecake*
* *Sodas*
* *Pizzas*
* *Strawberry cakes*
* *Vanilla cakes*
* *Heart cake*
* *Cream caramel*
* *Chocolate brownies*
* *White sponge cake*
* *Dark sponge cakes*
* *Juices*
* *Croissants*
* *Danish pastries*
* *Swiss rolls*

We will also offer the following services free:

* *Free delivery of products*
* *Packaging*

***1.4 JUSTIFICATION:***

According to our research, we have noted that people in the area in need of our services are many and the supply to the need is little. Being in the market, we will be able to fulfil our customers need fairly. We have also noted that customers have been complaining of high charges from the local producers thus we will be marketing our products at fair and affordable prices to our customers. Our business will also be help to our community economy because we will be paying taxes. We will also employ staff from the community who will help us accomplish our goals and fulfil our mission. By doing this the living standards of the people will be improved.

***1.5 BUSINESS GOALS AND OBJECTIVES:***

Our business will aim to achieve the following:

* Ensure customer satisfaction
* Boots the economic growth
* Ensure business growth

***1.6 VISIONS.***

***To be the leading baker and distributor in Kikuyu region.***

**1.7 ENTRY STRATEGY AND GROWTH STRATEGY:**

***1.7.1 ENTRY STRATEGY***

The business will do a lot of marketing through advertising, providing flyers to our customers and other people in the area indicating our products and services. We will also distribute our business cards with our contacts. We will have a billboard along Waiyaki Way to create awareness to our potential customers at large. The business will also establish a market penetration price.

***1.7.2 GROWTH STRATEGY***

The business will provide discount to our customers to encourage them buy more. We will also employ skilled employees to enhance good production of our products and ensure business growth. We will ensure we establish branches to different parts of the country.

***CHAPTER TWO:***

***2.0 PRODUCT AND SERVICES:***

Our business will provide products like:

* *Wedding cakes*
* *Graduation cakes*
* *Birthday cakes*
* *Danish cakes*
* *Heart cakes*
* *Croissants*
* *Muffins*

Our services will be:

* *Packaging*
* *Free delivery.*

***2.1 PRODUCT DESCRIPTION:***

Our products involves baking, decorating and kneading. Our products will cater for any social class and gender. Our products will be designed in different shapes and sizes according to our customer desires. We will different colors and flavors.

***2.2 PRODUCT AND SERVICE UNIQUENESS:***

**Our products are not new in the market market but they are unique.we shall be producing coloured cakes,different shapes cake and different sizes.This will bring uniqueness from those of our competitors.**

***2.3 PRODUCTS ATTRIBUTES:***

Our products will have the following characteristics:

* They are affordable
* They are portable
* They are of good quality
* They are durable

***2.4 PROPREITY POSITION:***

I have protected my business name and logo through trademark act. My design and formula, I have secured them through the copyright and pattern act respectively. Have done this to ensure my competitors do not use my details to run their businesses.

***2.5 PRODUCTION PROCESS:***

The process of production of our products is easy and quick due to modified electrical appliance like ovens, electric mixture that makes work easier and quicker.

Our production process include:

*Pre-heat oven mixing the ingredients greasing and dusting baking tray pouring the mixture into the baking tray bake in the oven decoration of the cake packaging the cake transportation*.

***2.6 PRICING STRATEGY:***

The pricing of our products will be based on:

* *The salaries of our employees*
* *The cost of production materials*
* *The cost of energy*
* *The transport cost*
* *The tax paid to the government*
* *The packaging expenses*

***CHAPTER THREE:***

***3.0 MARKETING PLAN:***

On our market plan, we have decided to start our marketing a month before setting the business. We will use the following strategies:

* *Use of flyers*
* *Billboards*
* *Calendars.*

***3.1 MARKET ANALYSIS:***

Due to the increase in population around Kikuyu region, we have done research and discovered that around 90% of the population consume cakes and are willing to do business with us. Also noted that 70% of the customers would do business with us for good quality cakes, appealing color and taste. They would be willing to do business with us because we would consider their desires not our own preference. We have realized that 63% of customers appreciate the free delivery system we offering to them thus willing to do business with us.

***3.2 CUSTOMERS:***

The area has many customer of our product who has led to economy growth of our business and the community. Due to the growth, we have acquired the following customers:

* *Event planners*
* *Individual customers*
* *Students*
* *Supermarkets*
* *Retailers*
* *Wedding planners*

***3.3 MARKET SHARE:***

We have compared our business with our competitors and came up with the following market share:

***3.4 COMPETITION:***

Our chief competitors is the Fairmat bakers, Hoppy pride bakers and Jane bakers. Our customers consider the location of our business and the quality of our products. They also consider the delivery system we offer and the design of our products, which is unique from our competitors. They also consider the skills of our employees in our business, which is of high value. Customers also consider our fair prices, which are pocket friendly.

**3.5 STRENGTH AND WEAKNESS OF THE COMPETITORS:**

***3.5.1 STRENGTH:***

Our competitors have proper knowledge of the market, thus, has formed loyal customers due to long existence in the market.

***3.5.2 WEAKNESS:***

Our competitors lack skilled personnel in the production area, which could be our strength since we have qualified and competent chefs who will ensure good quality cakes produced.

Our competitors keep on repeating the same taste throughout, while, we will have different taste gradually to attract and create more customers.

Our competitors lack change in the technology since they do their work manually while we will mechanize our production thus reducing labor cost.

Our competitors charge their customers high prices for the same product, thus, we have fair priced products for our customers.

Our competitors are positioned in remote areas thus making it difficult for customer contact; hence, we will be located along a main road thus easy access by the customers.

Our competitors lack good advertisement skills compared to ours, which attracts more customers.

**3.6 MARKETING AND ADVERTISEMENT STRATEGIES:**

***3.6.1 MARKETING STRATEGIES:***

Our marketing will be centered on the 4p’s of marketing including:

* *Place*
* *Price*
* *Product*
* *Promotion*

*Product* – our main products are;birthday cakes, muffins, heart cakes, etc.

*Price* – we will offer discount to our customer and ensure the prices are affordable to everyone.

*Placement* – we will ensure our products reaches many retail sellers.

*Promotions* – we will advertise our products through flyers, billboards and individual marketing.

***3.6.2 ADVERTISEMENT:***

We will have billboard along Kangundo road, which will create awareness about our business and our existence in the market. We will also provide flyers with the products and services offered and some pictorials of our products. We will also include discounts offered to our customers to encourage them buy more goods.

***3.7 SALES TACTICS:***

The sales tactics that we will encourage more is to give discount to a person that will bring new customers to our business and make use of our advertisement program to make our product recognized widely in the country.

***CHAPTER FOUR:* OPERATION PLAN:**

***4.1 LOCATION:***

We have located our business in a suitable location where transport system is easily available to any person interested to do business with us. We also have a spacious parking area for our customers. The area is also currently highly populated thus huge market for our business.

From WESTY

from UTHIRU From Nairobi

From Thika

KIMNIC

BAKERS

***4.2 ACCESSIBILITY:***

Customers are able to access our services due to the good transport system and efficient communication network in the area. Security is guaranteed in the location due to the presence of police post in the area.

***4.3 ROOM FOR FUTURE EXPANSION:***

Since the location is not highly occupied currently, there is still enough space for future expansion of the business.

***4.4 AVAILABILITY OF MARKET:***

From our research, we found out that the population of the area is high and more than 68% of the population is available for market. The purchasing power will be determined by the occupation of the residents in the area hence, our organization concluded that we would design cakes of different sizes to cater for everyone in the market.

***4.5 AVAILABILITY OF WORKERS:***

Our business is located near Uthiru market along Waiyaki Way. The area has high number of unemployment and thus quick laborer opportunity for us. The employees will be paid in monthly basis.

***4.6 AVAILABILITY OF RAW MATERIALS:***

There is quick accessibility of clean water in the area for the production in our premises. There is also power Energy Company along the area and thus easy accessibility of power for our production processes.

**4.7 PREMISES AND LAYOUT:**

***4.7.1 PREMISES:***

The business will be contacted in a leasing building big enough to accumulate all the business operations efficiently.

***4.7.2 LAYOUT:***

Our business will have a layout that will help in easy access and operations of the business. Display area will also be available for marketing of our products.

*ENTRANCE RECEPTION MANAGERS OFFICE DISPLAY*

*EXIT WASHROOMS CASHIER KITCHEN*

***4.8 SAFETY REGULATION:***

Our business has complied with the rules and regulations of country. The safety regulations include:

* + *Approval from the public health inspection*
  + *Approval by KEBS showing our product is safe for human consumption and has met the required standards.*
  + *Fire insurance*
  + *Approval by NEMA as environmental requirement.*
  + *Business permit.*
  + *NHIF Insurance cover for employees.*

***4.9 QUALITY CONTROL:***

We ensure that the products we produce are of good quality by:

* *Use recent modern technologies of kitchenware.*
* *Use of professionally skilled personnel in the production process.*
* *Use of mechanized packaging for durability of production.*

***4.10 DISTRIBUTION CHANNELS:***

Our business has distribution network that make it easier for our customers to access our product.

We sell directly to our customers according to the preferred size and quality.

We also sell to supermarkets to ensure the customers access our products more easily.

We sell also to retailers who help us distribute our products around the region.

***4.11 OPEATION REQUIREMENT:***

For operation of our business, we require to have certain legal requirements including:

* *License*
* *Pin certificate*
* *VAT certificate*
* *Insurance*
* *Banking*

***4.12 PRODUCTION PROCESS:***

Our production process involves mixing of the ingredients, greasing and dusting baking tray, plattin the mixture, baking in oven, decorating and designing cakes, then finally packaging the product and transporting where necessary.

***CHAPTER FIVE:* *ORGANITION PLAN***

**ORGANIZATION CHART:**

MANAGER

SUPERVISOR

Human Resource Financial Manager Sales Manager Pastry Head Chef

Manager

**5.2 *PERSONAL DETAILS***

**5.2.1 *MANAGER***

* Must have a minimum of three years of responsible leadership in management
* Must have good communication skills
* Must have outstanding interpersonal relationship
* Must have excellent computing skills

**5.2.1.1 *DUTIES AND RESPONSIBILITIES***

* Manage overall operation budgeting and financial responsibilities
* Ensures all the departments are performing their duties as required
* Make business decisions that are financially responsible, accountable , justifiable and defensible
* Manage the maintenance report

**5.2.2 *SUPERVISOR***

* Must have good communication skills
* Must have good interpersonal relationship
* Must have bachelor’s degree

**5.2.2.1 *DUTIES AND RESPONSIBILITIES***

* Maintaining workflow
* Maintains quality service by establishing and enforcing organization standards
* Resolves personal data by analyzing data investigating issues

**5.2.3 *HUMAN RESOURCE MANAGER***

* Must have work experience for over five years
* Must have excellent interpersonal skills
* Must have general knowledge of employment law and practices
* Must have bachelor’s degree in human resource

**5.2.3.1 *DUTIES AND RESPONSIBILITIES***

* Chairs any employee selection
* Ensure employees arrive in time to work
* Establish the companies wages and salary structure
* Protects the interest of employees and the company in accordance with human resource policies and governmental law and regulation

**5.2.4 *FINANCE MANAGER***

* Must have a degree majoring in accounting
* Must have good communication skills
* Must have at least two years’ experience I the same field

**5.2.4.1 *DUTIES AND RESPONSILITIES***

* Prepare financial statements , business activities reports and forecasts
* Supervises employees who do financial reporting and budgeting
* Reviews companies financial reports and seek ways of reducing cost
* Monitor financial details to ensure that legal requirements are met
* Analyze market treads to find opportunity for expansion
* Help the management make financial decisions
* Ensure all the finances spent are accounted for

**5.2.5 *SALES MANAGER***

* Must have a degree in sales and marketing
* Must have experience for over five years in the sales field
* Must have excellent interpersonal skills

**5.2.5.1 *DUTIES AND RESPONSIBILITIES***

* Resolve customers complains regarding sales and services
* Plan and coordinate the training programs for sales staffs
* Determine discounts rates or special pricing plan
* Oversee regional and local sales managers and their staffs
* Monitors customers preferences to determine the focus of sales effort
* Ensures all our products are sold
* Project sales and determine the profitability of products and services

**5.2.6 *PASTRY HEAD CHEF***

* Must have great attention to detail and creativity
* Must have willingness to replenish professional knowledge
* Must have certificate in pastry making
* Must have proven experience as a pastry chef
* Must have good communication skills

**5.2.6.1 *DUTIES AND RESPONSIBILITIES***

* Monitor stocks for baking ingredients
* Check quality of materials and condition of equipment and devises used for cooking
* Identify staffing need and help in recruiting and training personnel
* Maintain a team and orderly cooking station and adhere to safety standards
* Guide and motivate pastry bakers to work more effectively
* Ensure all the delivery deadlines are met

**5.3** ***RENUMERATION AND INCENTIVES***

**5.3.1 *RENUMERATION***

|  |  |
| --- | --- |
| MANAGER | 100 000 |
| SUPERVISOR | 60 000 |
| HUMAN RESOURCE MANAGER | 45000 |
| SALES MANAGER | 40 000 |
| FINANCE MANAGER | 40 000 |
| PASTRY HEAD CHEF | 40 000 |
| BAKER | 30 000 |
| TOTAL | 355000 |

**5.3.2 *INCENTIVES***

As for our business, we will squeeze our time to ensure that we meet our deadline. We have also embraced working overtime, which will result to extra payment to those who wish to extend their working hours.

**5.4 *RECRUITMENT, TRAINING AND PROMOTION:***

**5.4.1 *RECRUITMENT:***

We will do our recruitment through the following processes:

* *Receiving of application.*
* *Interviewing.*
* *Advertising for vacant positions.*
* *Selecting the most suitable candidates.*
* *Assignment of job.*

**5.4.2 *TRAINING:***

We will do training to sharpen knowledge and gain experience in our business to some employees. Any internship for any interested fresh graduates will also be available.

**5.4.3 *PROMOTION:***

We will evaluate the candidates to promote by use of:

* *Your level of education.*
* *Your relation with other employees.*
* *Performance during your working time in our business.*
* *Experience in your working department in our business.*

**5.5 *ADVISORY BOARD:***

The business will have five managers, one supervisor and fourteen employees.

**5.6 *LEGAL REQUIREMENTS:***

Our business requires to have a registered business name, permit from the city county council, fire safety certificate and food permit for the business to be valid for operation.

**5.1 *SUPPORT SERVICES:***

# ***CHAPTER SIX:***

**6.0 FINANCIAL PLAN**

## **6.1 *BOOKS OF ACCOUNT:***

## Our business has kept the following books of account

## Cash book-it will record all cash transactions done in the business.

* Petty cash-it will record all sundry expenses in the business.
* General ledger-it will record all other accounts.

## **6.2 *PREOPERATIONAL COST:***

|  |  |
| --- | --- |
| **ITEMS** | **COST** |
| Rent | 4000 |
| Market research | 2000 |
| Advertisements | 25000 |
| Electricity | 3500 |
| Working tools | 5000 |
| Renovation of building | 3000 |
| Registration | 3000 |
| NHIF | 1000 |
| **TOTAL** | **24000** |

## **6.3 *WORKING CAPITAL:***

|  |  |  |  |
| --- | --- | --- | --- |
| **Current assets** | | **Current liabilities** | |
| **Assets** | **Amount** | **Liabilities** | **Amount** |
| Stock | 60000 | Bank overdraft | 25000 |
| Cash | 15000 | Creditors | 20000 |
| Bank | 20000 |  |  |
| **Working Capital** |  |  | **50000** |

## **6.*4 PROJECT INCOME STATEMENT***

**KENAFRIC BAKERY**

**Income Statement**

**For Year Ended 30/09/2019**

|  |  |  |
| --- | --- | --- |
| Sales |  | 90000 |
| **Less Cost of Sales** |  |  |
| Stock | 60000 |  |
| Less purchases | 35000 | 25000 |
| **Gross profit** |  | **65000** |
| **LESS EXPENSES** |  |  |
| Preoperational cost | 24800 |  |
| General expenses | 20000 | (44800) |
| **Net profit** |  | **20200** |

## ***6.5 PROJECTED BALANCE SHEET***

**KENAFRIC BAKERY**

**Balance Sheet**

**As At 30,/09/2019**

|  |  |  |
| --- | --- | --- |
| **Fixed Assets** |  |  |
| Working tools | 4000 |  |
| Furniture | 10000 |  |
| **Total Non-Current assets** |  | **14000** |
| **Current Assets** |  |  |
| Stock | 60000 |  |
| Cash | 15000 |  |
| Bank | 20000 |  |
| **Total Current Assets** |  | **95000** |
| **Total Assets** |  | **113000** |
| Financed by |  |  |
| Capital |  | 67800 |
| Net profit |  | 20200 |
| **Current liabilities** |  |  |
| Bank overdraft |  | 25000 |
| **Total Capital +Liability** |  | **113000** |

## **6.6 *BREAK EVEN POINT:***

|  |  |  |  |
| --- | --- | --- | --- |
| **Fixed Costs** | **Amount** | **Variable Costs** | **Amount** |
| NSSF | 2000 | Renovation | 3000 |
| NHIF | 1000 | Advertisement | 2500 |
| KRA PIN | 4000 |  |  |
| **Total** | **7000** | **TOTAL** | **5500** |

Contribution=sales –variable cost

90000-5500=85000

**BEP =Fixed cost x sales**

**Contributions**

5500 x90000

85000 =5824

## **6.7 *PROFITABILITY RATIOS:***

**Current ratio** =current asset

Current liability

95000

25000 = 3.8

**Profit margin** =gross profit

Sales

25000 x100

90000 =27.77

***CHAPTER SEVEN:***

**7.0 *CRITICAL RISK:***

Many risks can affect business operations. We assumed that most of these risks would not have effect on our business by considering the following factors:

**7.1 *POLITICAL FACTORS:***

This are factors arising political instabilities including post-election violence, subsidize from the government etc. we assumed that these factors will not affect our business operations since the country is politically stable.

**7.2 *ECONOMIC FACTORS:***

Raw materials are one of the major factors that contribute to the operation of our business hence we select good suppliers to ensure continuous and consistence in the supply system. We ensure we get our products directly from the leading suppliers in the country.

**7.3 *SOCIAL FACTORS:***

The business has ensured we embrace our culture and we cater for all group of people in the region by catering for diabetic people and producing sugar free products for them.

**7.4 *ENVIRONMENTAL FACTORS:***

Due to the business we operating, we are located in a clean environment free from any environmental pollution. The area has good drainage system as well to avoid any cases of flooding and stagnant water around working area.

**7.5 *LEGAL FACTORS:***

Permits from various sectors is a necessity for our business and therefore we have approval from KEBS and health permits.