

BUSINESS PLAN



PEACE OF CAKE, LLC

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"Nourishing the Earth One CUPCAKE at a Time!"

SUBMITTED: MAY, 2012

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Peace of Cake, LLC

1.0 EXECUTIVE SUMMARY



1.1 Introduction

Peace of Cake is a trendy, online business built around the belief that eating a healthy, organic dessert can have a significant impact on a person's well-being and attitude, especially for those who believe in consuming only natural ingredients. Incorporating the adaptability factor, our company will cater to customers who require special needs such as vegan, gluten-free and sugar-free diets. *Peace of Cake* also believes that customers can have great tasting organic baked cupcakes if the right attention is paid to sourcing, recipes and consistent quality. Finally, it is the purpose of *Peace of Cake* to give back to nature by nourishing our environment through providing each of our customers who purchase our products with a packet of seeds to plant, thus replenishing the earth as well as we will be donating a percentage of our profits to **The Conservation Fund**, a company whose mission is to balance both nationally endorsed environmental and economic goals.

1.2 The Company Purpose

Peace of Cake, a Limited Liability Corporation (LLC), provides the freshest, highest quality natural ingredients possible to create organic cupcakes that also cater to those who require a vegan, gluten-free, nut free and/or sugar-free diet. We pride ourselves in also using biodegradable, recycled packaging which allows us to co-exist within a friendly environment. We realize that there is a growing demand for healthy choices and baked goods that don't contain the amount of sugar and unhealthy ingredients that our competitors embrace. However, we also know that people are not willing to sacrifice the satisfaction of good taste and premium quality.

1.3 Goals and Objectives

1.3a Philanthropic Goals

- To offer our customers the freshest cupcakes made from organic resources
- To give each customer a packet of seeds to replenish/nourish the earth
- To dedicate a percentage of our profits to the Conservation Fund

1.3b Business Goals

- To spend about 30 hours per month specifically to marketing efforts
- To participate in state-wide and local bridal trade shows
- Minimize our sales force and maximize our effectiveness



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1.3c Strategic Goals

- Raise funds to support our goals through interested investors
- Achieve 99% customer satisfaction and develop repeat customer base
- Achieve 10% of CT market cupcake customers by end of year 3

1.4 Our Product

Peace of Cake dedicates itself to creating specialty cupcakes for all occasions that fit the individual needs of our diversified target market. Our company can adapt its product to provide a high level of satisfaction to all potential customers across Connecticut and deliver our product within 24-48 hours of receipt of order obtainable on-line or via phone. *Peace of Cake* can adapt to our customers' dietary needs by providing a multitude of different organic ingredients creating flavored cakes, frostings, designs, colors and presentation styles all in a biodegradable, recycled decorative packaging that would make any event a "stand-out" extravaganza. Most important, as our company differentiation factor, *Peace of Cake*, offers a variety of both flowering and vegetable seeds to our customers who are interested in contributing to a greener, more nourished environment.

1.5 Mission Statement

Our company's mission is a four prong approach to benefit our customers by providing:

- (1) healthy options to enjoying fresh, organic desserts
- (2) adaptable product menus to include vegan, gluten-free, and sugar-free treats
- (3) the opportunity to join us in nourishing the earth through providing customers with seeds for every purchase
- (4) donations from a percentage of our profits to The Conservation Fund to help accomplish our national environmental goals.

1.6 The Market

Peace of Cake can adapt to a diversified market including people of all ages in the CT area engaged in special events that require a tasty dessert to impress their guests for all occasions. Our target market specifically includes people who have a higher level of discretionary income and willing to invest in luxury, premium products and those who are ecologically concerned and want to take an active role in the preservation and nourishment of our planet.



2.0 COMPANY SUMMARY

2.1 Company Ownership

This company is owned and established by Rachel LaBarbera in January, 2012. Ms. LaBarbera is a native resident of Southbury, CT. She currently serves as the President of the company.

2.2 Company History

Rachel's passion for being a philanthropist has begun early in her teen years when she became involved in the Interact Club whose motto is, "Service Above Self". She is very involved in recycling goods from her local high school and taking them to the area's recycling center. As a culinary wizard in the kitchen, she has practiced a multitude of hours using her creative flair to create extraordinary cupcakes that not only taste good and look good, but also reflect her concern for the environment. *Peace of Cake* is her dream company that merges her passion for making the environment a better place in which to live with her unusual artistic creativeness in the kitchen. Rachel LaBarbera owns all the rights to *Peace of Cake* and its merchandise.

2.3 Company Location

Peace of Cake is headquartered in the town of Southbury in Connecticut. We are located in our own private building at 234 Judd Road, where all of our products are made from, stored in and shipped from.



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3.0 SITUATION ANALYSIS



3.1 SWOT Analysis

Strengths

- ✚ Passionate owner who believes in giving back to her community/environment
- ✚ Experienced owner who has a creative flair
- ✚ Sustainable competitive edge of adaptability to all occasions, trends, and consumer market needs
- ✚ Using organic ingredients resulting in high quality product
- ✚ Minimal, but experienced staff to start business and save money
- ✚ Financial resources will be used to give back to assist in the national environmental goals
- ✚ Offering opportunities for consumers to join in our ecological goals

Weaknesses

- ✚ First time business venture
- ✚ Start up costs are only estimates
- ✚ Funding a small business could be difficult
- ✚ Potentially could be understaffed if our product demand increases drastically
- ✚ Experience in marketing our product is minimal

Opportunities

- ✚ Capitalize on changing market
- ✚ Join the trend of modern cupcake design
- ✚ Focus on large sales through participating at bridal fairs
- ✚ Green technology will improve our image
- ✚ To grow quickly and expand, possibly partner with another business

Threats

- ✚ Competitors could “steal” our ideas
- ✚ Partnerships may not become available
- ✚ Financial problems could threaten our first year’s success
- ✚ Time management could falter our productivity



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3.2 Environmental Scan: (Political, Economic, Socio-Cultural, Technological)

Political: Recently a CT legislator has proposed a ban against throwing rice at weddings due to the potential harm that it could cause birds. This ban can provide our company, *Peace of Cake* with the justification of our products providing seeds to help the environment thus saving wildlife.

Economic: According to CT's Governor Dannel P. Malloy in his statement made through the Department of Economics and Community Development...

"Connecticut must support its small businesses," Governor Malloy said. "They are the foundations of local economies, helping to improve the quality of life for thousands of Connecticut residents. State investments through programs like this not only help the businesses on Main Street grow, they also aid in the state's economic recovery."

http://www.ct.gov/ecd/lib/ecd/press_releases/2012/small_business_program_assists.pdf

In total, CT will provide \$100 million to help the state's small businesses hire more employees and fund capital investments. The program, administered by the Department of Economic and Community Development (DECD), offers loans and matching grants to Connecticut companies with fewer than 50 employees.

Due to this upturn of economic support in CT we feel that it is a good time to launch our business.

Socio-cultural: Through an analysis of customers and potential customers, their changes in attitudes, lifestyles and opinions, we have discovered that the classic wedding cake is a tradition of the past and the cupcake industry is a growing empire to replace old traditions.



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"The long, sweet history of the wedding cake is a mix of traditions, dreams and changing tastes. So it's no surprise that cupcakes are playing a major role in the latest version of this multitiered, frosting-swirled world. Dozens of cupcakes - tiered on decorated stands or arrayed on a table, often in a variety of flavors, colors and embellishments - let bridal couples personalize the celebratory sweet.

"The whole trend in weddings in general is to make it personal," said Darcy Miller, editorial director for Martha Stewart Weddings.

<http://www.azcentral.com/style/hfe/food/articles/2011/01/25/20110125wedding-cupcakes-trend.html#ixzz1sX7kgeOo>

<http://www.azcentral.com/style/hfe/food/articles/2011/01/25/20110125wedding-cupcakes-trend.html#ixzz1sX4LyIFT>

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Technological: Through analysis of e-commerce trends, online consumer behavior, and purchasing habits, the number of online consumers in the USA in 2011 was 178.5 million. It is expected to grow to 201.1 million by 2015.

The main reasons for online buying is:

Low prices.....	38%
Convenience.....	35.1
Easy to compare.....	33.1
Timesaving.....	30.8
Easy to purchase.....	29.2

Peace of Cake can take advantage of these statistics and build our business around the needs of these potential customers.

¹ <http://www.ecommercetrends.com/why-do-people-buy-online/>



4.0 MARKETING ANALYSIS SUMMARY



4.1 Market Segmentation

....is the process of analyzing and classifying customers in a given market to create smaller, more precise target markets. **Peace of Cake** has identified its overall market to consist of people who have a higher level of discretionary income to indulge in and appreciate the exquisite creativity and flair to consume extraordinary cupcakes that not only taste good and look good, but also reflect the company's concern for improving the environment. Geographically, our market will start within the CT area and expand to surrounding states in the next 5 years. Psychographically, our focus involves identifying people who enjoy luxury items, care about eating organic products, and show concern for the preservation of our environment. Our trendy company emphasizes its marketing efforts towards the Baby Boomers (those born 1946-64), Generation X (born 1964-74), Generation Y (born 1975-95) and Generation Z (born 2000-2021). Among potential customers identified to be a part of our target market we have identified special events that would involve those customers such as:

- Anniversary parties
- Baby showers
- Bah and Bat mitzvahs
- Birthday parties
- Bon Voyage
- Bridal showers
- Christenings
- Congratulatory celebrations
- Graduations
- Holidays i.e., Easter, Christmas, Fathers' Day, Mothers' Day, St. Patrick's Day, Thanksgiving, Hanukkah, Kwanzaa, Valentine's Day, Earth Day, Passover, Memorial Day, etc.
- New Home Welcoming
- Retirements
- Thank yous
- Weddings



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4.2 Target Market Segment Strategy

.....is the identification of target markets and determination of marketing mix choices that focus on those markets.

Peace of Cake has identified the above listed markets so that we can be adaptable to different people, and the occasions they enjoy celebrating. In addition to this target market, we have also taken it a step further. **Peace of Cake** is able to adapt its **product** to accommodate the special dietary needs of those individuals who not only want fresh, organic, high-grade ingredients in their desserts but also cater to those who are vegans, gluten free and sugar-free consumers.

4.3 Marketing Mix (the 4 Ps)

1. (Product): Our product is a high-quality, organic dessert that is extremely adaptable to both special events, and to the special dietary needs of our customers. Each cupcake purchased is accompanied with a package of seeds (large variety available) to consumers to help us reach our goal of nourishing the earth. In addition, our company will donate a percentage of its net profits to The Conservation Fund to help support our world-wide environmental goals.
2. (Price): The price of our cupcakes is \$4.00 each which includes the product, the seeds and delivery of product to consumers within Connecticut.
3. (Place): **Peace of Cake** will market its products' adaptability and its utility adaptability in a venue of different online and offline approaches which include:
 [Online]....electronic press releases, website, e-mail marketing campaign, web video ad, message boards, online catalogs, etc.
 [Offline]...press release, brochures, menus, direct mail, television spot, radio ads, business cards.
4. (Promotion): Our current promotional plans include but are not limited to:
 - Guerilla posting to blogs incorporating company message with signature file
 - Create online and offline press releases to introduce new business
 - Radio commercials
 - TV featured story on Good Morning Connecticut



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4. Marketing Mix (Promotion....continued)

- Displaying merchandise at CT bridal shows
- Facebook, Twitter, Blogger, Delicious, Digg, GoogleBuzz, Linked In, Reddit, StumbleUpon
- Ads on Google, and sites like WedAlert.com
- Coupon offers, both online and offline
- Premiums, giveaways, incentives, contests
- Samples (offline)
- Magazine and newspaper ads
- Mall kiosks
- Direct mail

4.4 Market Trends/Growth

Throughout the last few years, the market for cupcakes has greatly expanded. No longer are they only a fun birthday party treat that can be purchased at any grocery store or bakery. They have expanded to become a multi-million dollar industry with specialty designs to adapt to any occasion. *Peace of Cake* joins this specialty market with something new and different to offer its customers. Not only is our product adaptable to a wide variety of occasions and specialty events, but we expect to grow tremendously over the next few years due to our adaptability to our clients' dietary needs.

4.5 Competition Research

In a competitive market, there are already some businesses that have a firm hold in the market place. One of our top competitors is **Nora Cupcake Company**, located nearby in Middletown, CT. They have an established Facebook page with several positive review postings. Fortunately, their customer base is local to only Middletown. They do create a vegan and gluten free cupcake, but only make one of each. There is no delivery and you cannot order online. Another competitor is **Manta Cupcakes**. They too are based out of Connecticut, but are less well known than Nora Cupcake Company. This makes them less of a threat when compared to our Company and its strong marketing strategies.



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Neither company delivers nor has any special deals for quantity purchases. The third competitor is **The Cupcake Truck** located and delivering in the Greater New Haven area. They deliver ONLY in New Haven and are available on a limited basis depending on the truck stop schedule. Their cupcake offerings are limited to daily specials. Our fifth biggest competitor is **Sweet Maria's Bakery** in Waterbury. Their cupcakes go for \$5.50 each and there is a 2 day advanced notice for individual cakes and multiple cupcake orders up to 2 dozen. They have limited hours and do not deliver. Online ordering is not available. **Frosted Couture** located in Southington is an upscale bakery that caters to high-end customers. They call themselves a premier cupcake boutique and carry a wide variety of specialty cupcakes similar to *Peace of Cake*. Their prices are a bit higher than ours, but the product is comparable. Orders can be placed on line and they deliver, but only to the Greater Hartford area. However, they do not accommodate those with special dietary needs like vegan, gluten-free, or sugar free. Frosted Couture seems to be our biggest competitor, however they are limited in their delivery area as well as their adaptability to accommodate those with special dietary needs. It is important to also note that they are NOT a nut-free bakery, whereas *Peace of Cake* differentiates itself by having a nut-free prep kitchen area. This important factor also helps us to adapt to those customers who have nut allergies.

4.6 Sustainable Competitive Advantages

Based on our main competition mentioned above, *Peace of Cake* actually has quite a few competitive advantages which include ADAPTABILITY:

1. Our price structure remains competitive
2. Our selection of cupcake designs is much more diverse
3. We are adaptable to our customers' dietary needs offering
 - a) Vegan cupcakes
 - b) Gluten-free cupcakes
 - c) Sugar-free cupcakes
 - d) Nut free cupcakes
4. We can adapt any cupcake design to any specific occasion
5. We deliver
6. Our cupcakes come with seeds to nourish the earth
7. In an effort to help save the environment a percentage of our net profits go to The Conservation Fund.



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5.0 WEB PLAN SUMMARY

5.1 Website Development Requirements

Selecting and Registering a Domain Name and Web Host

Develop a web strategy

E-Business consulting

Web design

Content Development:

Home Page: Company Name, unique logo and slogan
PDF of complete business plan

About Us: Use school address and phone number

Company History

Mission Statement

Investor Relations: Start up costs, Cash Flow, Statement, Break-even Analysis

PayPal setup

FAQ

Blog site for consumer feedback

Product Information

Catalog of product availability

Database programming

Internet marketing



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5.2 Web Marketing Strategy

It is the goal of *Peace of Cake* to utilize grassroots online marketing ideas such as the creation of compelling signature files, guerilla postings containing signature files, linking to other sites, setting up a company blog and creating an effective and manageable e-mail list. We will also provide an online catalog showing our products and setup an online payment system (i.e. PayPal). Customers will be able to contact us online to handle questions, suggestions, etc. *Peace of Cake* will provide user-friendly web-based administrative tools and archives of previous announcements or discussions. In addition, we will also post ads on Google and sites like WedAlert.com

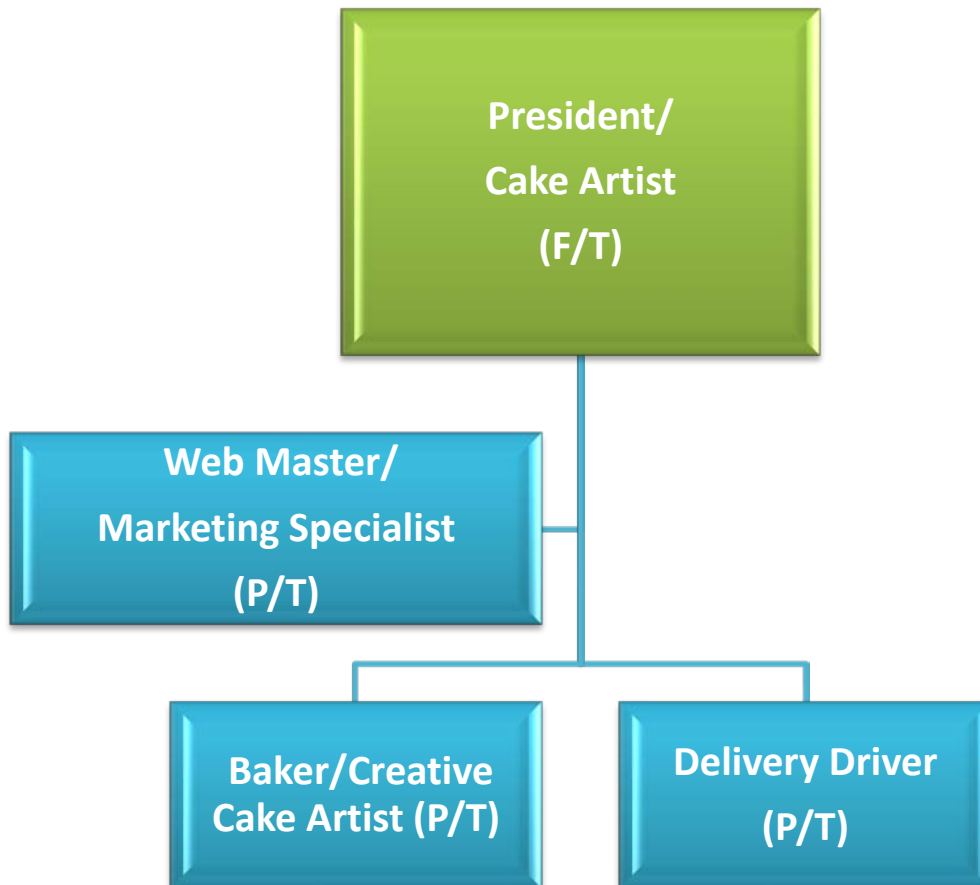
We will incorporate the use of:



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6.0 MANAGEMENT SUMMARY

6.1 Organizational Structure



6.2 Management Team/Company Structure

The management team will consist of the President/Owner who oversees all operations. The Web Master/Marketing Specialist will report directly to the President. All other employees will report to the Web Master/Marketing Specialist. Since our company has the convenience of being a small business, the President can step in at any point to help the company run smoothly.

6.3 Personnel Plan/Job Descriptions

There will be a total of 1 full time position, and 3 part-time positions including Web Designer, Cake Artist and Delivery Person filled by 5 part time employees. The business will be open 6 days a week (Tuesday-Sunday). Online orders can be accepted 24 hours per day. The actual operating hours of the business will be 7 a.m. – 6:00 p.m. The job descriptions are as follows:

(1) Web Master/Marketing Specialist (Part time)

Duties Include:

- a) Designing, and maintaining website
- b) Processing online order requests
- c) Handling customer inquiries, and special requests
- d) Managing e-mail list
- e) Maintaining blogs
- f) Posting online press releases
- g) Collecting customer data
- h) Implements marketing techniques

(2) Bakers/Creative Cake Artist (1 Full Time/President) (Part-Time as needed)

Duties Include:

- a) Process and log in customer order
- b) Schedule order on calendar
- c) Handle customer inquiries/confirm customer requirements
- d) Create customized cupcakes
- e) Schedule deliver

(3) Delivery Driver (1 Part-Time)

Duties Include:

- a) Confirm details of delivery (location specifics/time) with staff and customer
- b) Contact customer to notify estimated time of delivery and terms of receipt
- c) Load and secure product/seeds in vehicle
- d) Deliver and setup product
- e) Thank customer, provide any additional customer service, leave business card
- f) Maintain vehicle (gas, oil change, general repairs/upkeep)

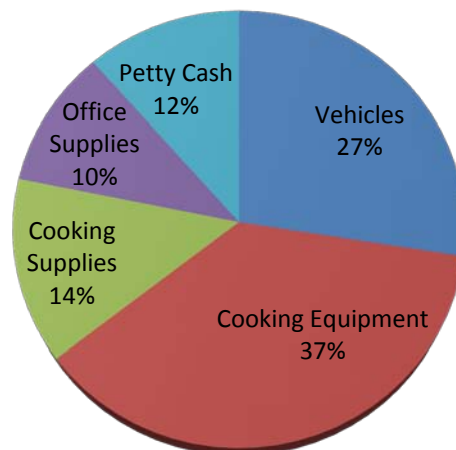


7.0 FINANCIAL PLAN

7.1 Start Up Costs Analysis

Product	Price
2 iMac 21.5" (3.1 GHz)	\$3,998
Domain Name	\$12
Business License	\$65
2- 7 Qt commercial food mixer	\$1,780.78
	\$4,460.54
2- 35 cu/ft Refrigerated Merchandiser w/ 2 Sliding Doors	
	\$9,894.80
2- Diamond Series 36" Double Standard Roast Oven	
Ingredients	\$5,000
Cell Phones (2)	\$250
Desk Phones (2)	\$150
Seeds	\$500
Cooking supplies	\$500
Delivery Van	\$12,000
Extra Cash	\$200
Total	\$38,811.12

Start-up Costs



7.2 Projected Balance Sheet

Balance Sheet for Peace of Cake

For Year One

(all numbers in \$000)

ASSETS

Current Assets

Cash	\$0
Petty cash	200
Ingredients	4,453
Inventory	250
Temporary investment	0
Prepaid expenses	0
Total Current Assets	\$4,903

Fixed Assets

Long-term investments	\$32,000
Land	0
Van	12,000
(less accumulated depreciation)	1,614
Plant and equipment	20,132
(less accumulated depreciation)	2,000
Website and Business license	77
Total Net Fixed Assets	\$67,823

TOTAL ASSETS **\$72,726**

LIABILITIES

Current Liabilities

Accounts payable	\$1,250
Short-term notes	0
Current portion of long-term notes	0
Interest payable on AMEX	15
Taxes payable	12,720
Accrued payroll	45,552
Total Current Liabilities	\$59,537

Long-term Liabilities

TD Bank Loan	\$10,000
Other long-term liabilities and loans	3,189
Total Long-Term Liabilities	\$13,189

Owners' Equity

Capital stock	\$0
Retained earnings	0
Total Owners' Equity	\$0

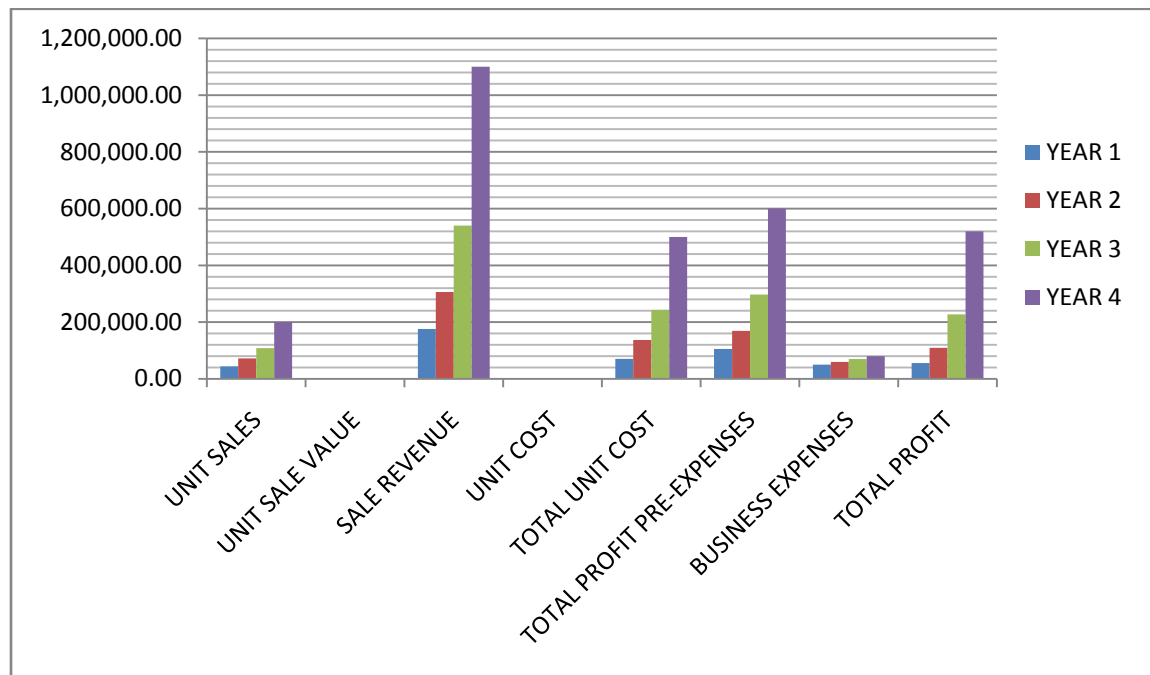
TOTAL LIABILITIES & EQUITY **\$72,726**



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7.3 Revenue/Expenditure 4 year Forecast: **PEACE OF CAKE**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4
UNIT SALES	44,000	72,000	108,000	200,000
UNIT SALE VALUE	\$4.00	\$4.25	\$5.00	\$5.50
SALE REVENUE	\$176,000	\$306,000	\$540,000	\$1,100,000
UNIT COST	\$1.60	\$1.90	\$2.25	\$2.25
TOTAL UNIT COST	\$70,400	\$136,800	\$243,000	\$500,000
TOTAL PROFIT PRE-EXPENSES	\$105,600	\$169,200	\$297,000	\$600,000
BUSINESS EXPENSES	\$50,000	\$60,000	\$70,000	\$80,000
TOTAL PROFIT	\$55,600	\$109,200	\$227,000	\$520,000



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7.4 Break Even Analysis

As indicated on our Start-Up Costs Analysis, (on page 17) it will cost us \$38,811 to get our business off the ground. At a selling price of \$4.00 per cupcake, we would have to sell 10,007 cupcakes in our first year as our breakeven point for the first week payroll and start up cost, before we can realize a profit. This leads us to make about 24,271 cupcakes being made to pay off the yearly payroll and start up costs. That averages out to approximately 2,022 cupcakes that have to be sold per month. If we pursue our wedding target market, we would have to book 3 weddings per month. All additional sales would result in a profit for the year.

7.5 Funding Sources

The *Peace of Cake* Team will be able to secure to \$32,000 (\$8,000 from each employee) from savings, as well as from family and friends contributions. In addition, we plan on taking out a small business loan in the amount of \$10,000. Therefore, we are seeking \$3,189 from interested persons who are willing join in this exciting venture. You are invited to take advantage and join in this billion dollar industry. We promise, it will be a **“PEACE” OF CAKE!**



Peace of Cake, LLC

Letter to Investors

Dear Potential Investor:

Thank you for taking the time to review the business plan for *Peace of Cake, LLC*.

We hope that you found the information helpful in your decision to invest in our exciting venture. If you should require any additional information, please do not hesitate to contact us at (203) 262-3200 or check out our website address:

www.epomp12.skills21schools.org. Our website carries a wealth of information.

If you are interested in joining our team as an investor, I welcome the opportunity to meet with you to discuss the financial details. We would be happy to set up an appointment for you via the telephone to meet with me at your convenience.

On the back page, please find your personal invitation to sample our delicious, organic products. Tasting is believing! Directions to our location will be given to you upon your RSVP, by phone.

Once again, thank you for considering joining *Peace of Cake, LLC*.

Sincerely,

President, *Peace of Cake, LLC*.



Peace of Cake, LLC