

# BUSINESS PLAN

Wassila Aouboukdir  
La Douceur  
03/12/2013

Strictly Confidential

## Contents

BUSINESS DETAILS .....	1
INTRODUCTION/EXECUTIVE SUMMARY .....	2
Personal and Business Objectives Yr. 1-5 .....	3
Key People .....	4
Support Network.....	5
SWOT Analysis Personal & Business .....	6
Business Premises .....	6
Legal Aspects.....	7
Marketing Plan .....	8
Market Research .....	9
Unique Selling Points .....	9
Customers & Consumers .....	10
Suppliers .....	11
Competition .....	11
Competitor SWOT .....	12
Pricing Strategy .....	13
Financial Requirements.....	14
Personal Budget.....	15
Sales Forecast .....	<b>Erreur ! Signet non défini.</b>
Profit (Loss) Projection .....	17
Examples of Methods of Calculating Break-Even.....	18
Balance Sheet.....	19
Cash Flow Forecast.....	20
Contingency Planning.....	21
Financial Analysis.....	22
Training Plan .....	23

# BUSINESS DETAILS

Business Name	La Douceur
Names of Owners, Partners or Directors	Wassila Aouboukdir – Tony Patin
Outline Business Description	Make and sell Macaroons in a French Bakery in UK
Trading Status	Limited Company
Business Address	
Post Code	
Home Address	87, Poppleton Close
Post Code	CV1 3BN Coventry
Telephone (Business)	
Telephone (Mobile)	
Fax	
Email Address	Wassila.aouboukdir@gmail.com
Accountant	
Bank	
Date of Plan	03/12/2013

## INTRODUCTION/EXECUTIVE SUMMARY

*The project presented in this business plan is to make and sell macaroons in a typical French Bakery based in UK. The macaroon is a pastry made with two semicircle foamy almond biscuit linked with a handmade jam. This is a very colourful pastry, which make it catchy for the customer. The customer can choose between different tastes, varying according to the season. On summer, most of the macaroons will be made with summer fruits, and on winter with winter fruits, chocolates, caramel, and coffee. During the Christmas periods, limited edition products will be delivered, such as macaroons Foie Gras, Gingerbread, or orange chocolate.*

*The macaroons are sold in a typical French Bakery that Tony Patin and Wassila Aouboukdir manage, in which the design, according to the aim of the product, represents the old France, the one seen in Woody Allen's movies. In the Bakery, the customer can take a sit and get a Wifi access, to enjoy the moment, eating macaroons with a hot or cold drink, delivered in pretty dishes. If the customer only wants to buy macaroons for home or to make a present, it is possible for him to choose in which one of our boxes he or she wants us to pack the products.*

*Another way of selling is predominant concerning the macaroons, the Business to Business, mostly in the first months, as it is an opportunity to make people discover our products and to sell in big quantities. For several events, the enterprise can ask us to prepare macaroons and can choose a presentation, such as a pyramid for example. This is why this is important to start selling the macaroons a few times before Christmas, before the enterprises choose the catering for their Christmas dinners. In the same manner, La Douceur delivers services for private events such as wedding or birthday, another way of valorising the words of mouth.*

*The macaroon is a product very attractive which, here, that La Douceur presents as a present, a present the customer makes to itself or for another person. By eating the macaroons, the customer has the impression of being visiting France, Paris, a city mixing tradition and innovation within food.*

*The macaroon won't be the only product sold in the French Tea Room, but the aim is to make the macaroon be the flagship as in Coventry, nobody is selling macaroons and this is a luxurious product.*

## Personal and Business Objectives Yr. 1-5

Objectives need to state what you want, when you want it and how you are going to get it.  
Try and make objectives realistic.

### Personal:

<b>Year 1</b>	<ul style="list-style-type: none"> <li>• <b>Move in UK with my partner (fiancé) and his brother (baker)</b></li> <li>• <b>Understanding as well the British culture to respond to the expectations</b></li> <li>• <b>Find a nice accommodation close to the shop</b></li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>• <i>Speak a fluent English, and have my partner and his brother speaking a fluent English</i></li> <li>• <i>Be familiar with the British culture</i></li> <li>• <i>Have enough contacts in Coventry and start being well known for what we do</i></li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• <i>(Depending of the evolution of the shop)</i></li> <li>• <i>Buy a house</i></li> </ul>
<b>Year 4</b>	<ul style="list-style-type: none"> <li>• <i>Have children (give more responsibilities to my husband in the business)</i></li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>• </li> </ul>

### Business:

<b>Year 1</b>	<ul style="list-style-type: none"> <li>• <i>Agree with my partner about all the aspects of the business plan</i></li> <li>• <i>Obtain the financing required to open the Macaroons shop</i></li> <li>• <i>Find enterprise needing our BtoB service</i></li> <li>• <i>Find a shop in Coventry city centre</i></li> <li>• <i>Change the design, finish the site</i></li> <li>• <i>Start selling the product in the shop</i></li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>• <i>Readapt the product to the customer</i></li> <li>• <i>Have a loyal customer base</i></li> <li>• <i>Start making profit</i></li> <li>• <i>Recruit and train a new employee as baker</i></li> <li>• <i>Recruit for the events (weddings, business events...)</i></li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• <i>Have a website</i></li> <li>• <i>Sell derivatives: new packages more elaborate which will be paying</i></li> </ul>
<b>Year 4</b>	<ul style="list-style-type: none"> <li>• <i>New formation for the chef Baker in France to be informed of the new techniques</i></li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>• <i>Deliver a service online</i></li> </ul>

## Key People

### Name, job title and responsibilities for each of your key people

- Wassila Aouboukdir: Manager, owner and seller – Manage mostly the communication, the design and the creativity. Seller in the shop. Can be replaced by Tony Patin in case of crisis.
- Tony Patin: Manager, owner and seller – Manage mostly the finance, the suppliers and the employees. Can be replaced by Wassila Aouboukdir in case of crisis.
- Thomas Patin: Baker – Responsible of the macaroons fabrication and in the future will manage the second baker and train him. Can be replaced by the second baker from the second year, or by Tony Patin during the first year.
- (Name): Second baker – Will be mainly dedicated to the macaroons, to leave Thomas focus on the new products creation. Can be replaced by Thomas Patin.

*(Enclose an organisation plan to support this section for – Sole Trader, Voluntary Organisation, Charity, Partnership, Limited Liability Partnership or a Limited Company.)*

## Support Network

*For example: What external support will be a resource to the business (e.g., business adviser, banker, trade association, friends and family); what input might they have to the business?*

- Professional advisers: Laurent Patin (Baker and Bakery owner), Patrick Patin (Baker and Bakery owner), Lionel Patin (ex Baker and Bakery owner). They will be able to give us some advice concerning the way of managing the Bakery, how to make benefit.
- IAE Coventry University: As a Coventry University student, I can come for the workshops on the second term about the entrepreneurship, and ask for an interview.
- Family: Emilien Patin (Student Baker) can come to help Thomas Patin at the beginning.

## SWOT Analysis Personal & Business

PERSONAL STRENGTHS	PERSONAL WEAKNESSES
<ul style="list-style-type: none"> <li>• Skills in communication and management</li> <li>• Use to work many hours (50h per week)</li> <li>• No family constraints (time for business)</li> <li>• Good in developing the network (sociable)</li> <li>• Experience in management</li> </ul>	<ul style="list-style-type: none"> <li>• Not enough experience in a Bakery</li> <li>• Never want to stop (weakness in the long term)</li> <li>• Stressful and stressed</li> </ul>
PERSONAL OPPORTUNITIES	PERSONAL THREATS
<ul style="list-style-type: none"> <li>• Polyvalent</li> <li>• French (opportunities when selling French products)</li> <li>• Well surrounded</li> </ul>	<ul style="list-style-type: none"> <li>• Doubting and comparing what I do with other competitors</li> <li>• Lack of self esteem</li> </ul>
BUSINESS STRENGTHS	BUSINESS WEAKNESSES
<ul style="list-style-type: none"> <li>• High quality of product</li> <li>• Competent employees</li> <li>• Traditional and creative food</li> <li>• Food is a part of the British Culture</li> <li>• Package</li> </ul>	<ul style="list-style-type: none"> <li>• Small</li> <li>• French employees (unknowing the British culture)</li> <li>• Supplier different from France</li> <li>• Languages</li> </ul>
BUSINESS OPPORTUNITIES	BUSINESS THREATS
<ul style="list-style-type: none"> <li>• New</li> <li>• Placed in the city centre</li> </ul>	<ul style="list-style-type: none"> <li>• Macaroons is expensive</li> <li>• Very competitive sector</li> <li>• Unknown by people (compared to Greeks)</li> </ul>

## Business Premises

It is necessary to have business premises such as a shop with a big kitchen at the back in order to make the macaroons and sell it. It is also necessary to have the equipment to stock the macaroons such as big fridges and freezers in the back and refrigerated display cases to present the macaroons in the store and keep them fresh.

In the kitchen, tools are necessary and also oven, kitchen worktop, the fridge and freezer, the cupboards and overalls.

In the shop will be required the display cases, the cash register, the table and chairs for the customers, dishes, overalls.



## Legal Aspects

*What legal aspects have you researched relating to the setting up and running of your business?*

	Regulatory Requirements	Your Actions
Business Structure	Limited Company : 2 directors 1 Shareholder "Memorandum of association" "Article of association"	Registered name with companies house Register food business in Coventry City Council's Food Safety Team.
Financial Issues e.g. Tax, NI, VAT	Tax Return and National Insurance Corporation tax, Pay As You Earn tax	Register with inland revenue as self employed. HMRC online account
Health & Safety	Employers' liability insurance Fire safety arrangement	Will always check with venue re. insurance and H&S requirements
Environmental Issues		
Employees	Less than 48hours per week for a 17 weeks period	Make a contract with the working time directive. Register myself as employer
Premises	Shop premises Food premises	Pay an Insurance for the premises and equipment Register the premises Take advices from the Local Authority
Disabled Customers	Make the shop accessible to disabled customers	Take advices from the Disability Rights Commission
Intellectual Property		
Licences		
Data Protection		.

# Marketing Plan

*Within the next section you need to describe how you will get the right product/service to the right people and place at the right price and on time ...*

## Marketing Strategy

***For example: Who is your client base/customer, what is your marketing budget, who will sell the product or service, how you propose to promote your products and services to your customers? Think about the 4/5 Ps and describe your product, price, place and promotion or use 4 Cs customers, cost, communication and convenience.***

*The customer targeted is a person working in the city centre or studying at the University, who is walking almost every day in the city centre and will, then, often walk and see the French shop. These are persons having a correct purchasing power, as macaroon is a product expensive. The customer is also a person appreciating the fine French food.*

*The product will be sold in the shop (see under mentioned "the place") buy the two directors, Wassila Aouboukdir and Tony Patin.*

*Product: The products are macaroons made with different tastes. The macaroon is a pastry made with two semicircle foamy almond biscuit linked with a handmade jam. The macaroons sold are small sized macaroons, of about 5cm of diameter. The product is hand and homemade in the same place that they are sold. The package is also an important part of the product, as the customer can choose the colour of the box if he or she wants to make a present.*

*Price: The price for a macaroon is £1.70, which is less expensive than many competitors (see: <http://missmacaroon.co.uk/buy-macaroons/>) with a discount for people buying a big quantity.*

*Place: The macaroons will be sold in a traditional French Bakery in Coventry, in the city centre in which many people are walking each week (between 400,000 and 600,000 according to Coventry.co.uk). In the place, they eat the macaroon, sit on a chair and have a drink.*

*The promotion: By participating to different private events for enterprises or wedding and birthday, the word of mouth will be a first and cheap way of promoting the product. But, in order to find these customers for private events, flyers will be done by Wassila Aouboukdir, having a skills in Adobe Suit, with personal mailing for the big enterprises in Coventry and the Institutions (City hall, University). A Facebook page will be another way of present the products for small costs, just as the Press Relationship. Concerning the Press Relationship, a pre-opening event is planned. The journalists, the main entrepreneurs and the mayor will be invited for a French buffet in which the staff will present how macaroons are made and, at the end, the pyramid of macaroons followed by a present for each guest: a box with three macaroons in memory. Finally, during the first week, for each two macaroons bought, the customer will have the opportunity of register his or her name for a draw, and try to win a French gourmet gift basket.*

*The budget for the marketing and the promotion concerning the opening period is £1000.*

## Market Research

***Detail the various types of market research you have carried out and the sources you used You might include questionnaires or desk research into competitor's products and markets***

*Theoretical Researches about Retail Marketing:*

*Works on Wassila Aouboukdir's blog about Market Research (<http://abakeryinuk.wordpress.uk> )*

*Researches about the food Industry in UK:*

*Mintel survey: Mintel survey delivered free data concerning several areas such as the consumption of baked food and the consumption of snaking.*

*ReportLinker: The website provides information and statistics concerning the Food services market in UK, The British Food Business.*

*The National Observatory of Obesity: The surveys present how people consider healthy food, how is the modern customer behaviour within food.*

*Researches about the number of persons walking in Coventry City Centre:*

*Coventry City Council: Coventry City Council published on its website data concerning footfalls and tourists venue, which permit to have an estimation of how many people are coming in the city centre each week.*

*Researches about the competitors:*

*French and British Chamber of Commerce: They give information concerning the other businesses and help to start the enterprise.*

## Unique Selling Points

*List your competitive advantages – why should your customers buy from you?*

The reason why the customers should buy from La Douceur is that the product sold is a traditional French product sold by French Bakers, which makes the difference with Greegs, Marks and Spencer or the Bakery in the Coventry Market. Moreover, the shop is not a chain and it is a unique place to get macaroons you can eat in the shop, you can buy as a present for yourself or someone else, or you can order for a private event.

The shop takes place in the city centre, where people working, studying or living will see the shop every day, which is an advantage as the aim of the shop, by opening in a small city, is to have a relationship with the customer in the long term.

In order to always attract the customer, each month a special taste will be highlighted and on Christmas, luxury macaroons with Foie Gras or Gingerbread. Moreover, the price is attractive as macaroons are usually more expensive and we offer a special service with the boxes and the sits, tables and Wifi access.

## Customers & Consumers

*For example: Who is your customer base, where are they, what do they want, how much are they prepared to pay, when do they buy, etc? Who uses your end product or service?*

After having made a qualitative and quantitative research, the customer base has been established. The customer base concerns middle-aged persons, working and earning enough money to indulge them by buying high quality of food.

The customers are dynamics and can enjoy having a break during the day eating a macaroon and enjoying the Wifi access to work or have fun. These are persons working or living in the city centre and walking almost every day in the city centre, becoming loyal customers.

The customers want to have a tasty and high quality of food, and associate food and pleasure. As a present they make to themselves or someone else, they don't only focus on the price, but in order to loyalty them it is necessary to offer a reasonable price, this is why the price stays accessible, £1.70 per macaroon.

The end product is used by the buyer or the person he or she is making a present too. It concerns persons enjoying good food and French macaroons.

## Suppliers

*For example: Who are they, what is their range of products or services, where are they, what is the minimum order, what credit and discount terms are available, etc?*

The supplier is Flour Bin, delivering high quality of commodities for the baked food and accessories to cook. It is possible to buy the product online with a minimum order of £10.00 delivered between 2 and 5 days by Parcelforce for £6,95 until 28 Kg and £13,90 until 56 Kg. The prices include the VAT.

As much as the quantity is high, the price decreases, on the website it is possible to choose between different quantities and prices. La Douceur makes it possible to buy in big quantities and save money, as the macaroons can be conserved in the freezer until it become necessary to replenish the store.

## Competition

*For example: Who are they, what is their range of products or services, where are they, what is the minimum order, what credit and discount terms are available, etc?*

Three main competitors can be identified in Coventry:

In term of range of product, the Café Rouge will be a competitor as during the afternoon it is possible to have a drink and a cake of high quality. It also is a competitor as Café Rouge is a French chain also delivering food in UK.

In term of product, Greggs is another competitor, selling French Baked food for a cheap price, which attracts people. But in Greggs it is not possible for the customer to eat the food inside.

In both competitors, there are no discounts terms available, these are chains and, in that way, the relationship with the customer is different from an independent Bakery. The staffs do not necessarily take time to forge links with the customers and the productivity is the most important.

Greggs being the place selling French product in the city centre, which means in the same place that La Douceur, this will be the competitor that will be analysed in the SWOT analysis, within the Coventry shops

## Competitor SWOT

### STRENGTHS

- French food
- Large range of products
- Meals, snacks, cakes can be bought in the same place
- Big quantities of products

### WEAKNESSES

- Bad quality and not homemade
- No sits in the shop
- Works as a manufactory, no time to talk with the customer
- Staffs changing, impossible to have a relationship with the customer in the long term
- Packages in which the cakes topple
- No service for the events

### OPPORTUNITIES

- Three shops in the city centre
- Well known
- Cheap
- Open early in the morning

### THREATS

- Many other places sell the same products (sandwiches)
- Many students do not go to the city centre to buy food (other shops available closer to the University)

How can you use this SWOT analysis to benefit your own business?

This SWOT analysis explicates the fact that Greggs and La Douceur does not target the same persons and do not satisfy the same needs. La Douceur, in its communication, will have to highlight the fact that people can take a sit in the independent shop in which the customer is considered as special, creating a relationship with the two sellers in the long term. The events will also be an important advantage as the other French shop do not deliver this service and other services such as the handmade and the nice packages.

## Pricing Strategy

*For example: What are your base prices, what are your margins, what credit terms are involved, will delivery be included, if not how much, will there be a bulk purchase price, etc?*

The price for a macaroon will be £1.70, which includes the fact that the customer can take a sit and enjoy the Wifi or the nice box the customer can choose for the macaroons when he buys macaroons to take away. Make a macaroon costs £0.20 considering the commodities, and the labour costs £0.09 per macaroon (calculated on a salary basis of £9.00 per hour and considering that the Baker can product 100 macaroons per hour). The box adds a cost of £0.10 but the price decreases when the customer buys several macaroons that we put in the same box. The margin is then of minimum £1.31.

In a first time, they won't have delivery, excepted for events, if the customer buys at least for £100.00 of products, knowing that it is possible to buy other products in the shop (bread, cakes...). Later, according to the business objectives, on the year five we plan to offer an online service in which the delivery service would cost £5 with a minimum of £50 purchase and free for £100 spent on the website.

*Give an example of how you actually calculate your prices. Is it time based, cost based or a mixture of the two. It might be your cost price doubled or a margin for example 30% added to your cost price. For services it might be better based on your competitor's rates or for creative businesses for example fine artists a gallery will double your price – it is based on advice from your gallery ie What the market will stand.*

The Baker is paid £9/hour and the macaroons production lasts two days (2\*8hours) each week, to make 16 different type of macaroons with 100 macaroons in each category:

$16 * 100 = 1600$  macaroons made in  $2 * 8 \text{ hours} = 16$  hours mean that each hour  
 $1600 / 16 = 100$  macaroons are produced.

Considering the labour price, 100 macaroons cost £9 and then  $9 / 100 = £0.09$  for a macaroon.

The commodities cost £0.20 and the packages cost £0.10 per macaroon considering the price of the suppliers' products.

$\text{Cost} = 0.09 + 0.20 + 0.10 = 0.39$

The margin is high (£1.31) but it includes a service as the customer benefits sits and Wifi, and in the cost can be included the oven operation, the high price in the rent, to be in the city centre, which also permits the customer to easily access to the shop, the sellers salary the delivery for events.

## Financial Requirements

### Summary of your start up costs

(support this with a detailed list)

Office space

Business rates

Computers

Accountancy

Materials

Marketing and materials

Stationery

Transport

Research

NI and Insurance

**£250,000**

### Own resources

Selling Tony Patin's Tea Room in  
France + own finance

**£50,000 minimum (if no  
considering the incomes)**

**£50,000**

### Other sources of funding

Might there be grants available, or loans?

Bank Loans

Funding Circles

**£**

**£ 25,000**

**£ 100,000**

**Total: £225,000**

***It is necessary to sell the Tea Room in  
France for a good price.***



## Personal Budget

ESTIMATED EXPENDITURE for the year	
Mortgage/rent	£14,400
Council tax/water rates	£2,136
Gas, electricity and oil	£3,000
All personal and property insurance	£900
Food, general housekeeping expenses	£3,500
Clothing	£400
Telephone	£468
Hire charges	£43,000
Entertainment (meals, drinks, etc.)	£630
Subscriptions to associations, journals, etc.	-
*Car tax and insurance	£1,840
*Car running expenses	£600
*Car service and maintenance	£350
expenditure for presents	£300
Savings plans	£2,000
HP repayments	£20,000
Household Maintenance	£850
Holiday	-
Internet	£450
Class 2 NIC's and set aside for tax currently 22%	£1,680.22
<b><i>EXPENDITURE in the year</i></b> <b><i>Sub-total (A)</i></b>	<b><i>83,544</i></b>
ESTIMATED INCOME for the year (OTHER THAN FROM THE BUSINESS)	-
Benefits e.g. child benefit or disability benefit	-
Pensions	-
Other income	-
<b><i>INCOME in the year</i></b> <b><i>(B)</i></b>	<b><i>0</i></b>
INCOME NEEDED (estimated expenditure less estimated income – A-B)	83,544
* include only private mileage if the same vehicle is also used in the business	

## Sales Forecasts

For period: November 2014 to October 2015

	<i>Nov.</i>	<i>Dec.</i>	<i>Jan.</i>	<i>Feb.</i>	<i>Mar.</i>	<i>Apr.</i>	<i>May</i>	<i>Jun.</i>	<i>Jul.</i>	<i>Aug.</i>	<i>Sep.</i>	<i>Oct.</i>	<i>TOTAL</i>
Product/Service A <b>volume</b>	6300	12000	5000	6700	6400	6400	7000	7200	6000	3000	7000	6800	<b>79800</b>
Product/Service B <b>volume</b>													
Product/Service C <b>volume</b>													
<b>Total Volume</b> (if relevant)	6300	12000	5000	6700	6400	6400	7000	7200	6000	3000	7000	6800	<b>79800</b>
Estimated price - A	10710	20400	8500	11390	10880	10880	11900	12240	10200	5100	11900	11560	<b>135660</b>
Estimated price - B													
Estimated price - C													
Product/Service A <b>value</b>	1827	3480	1450	1943	1856	1856	2030	2088	1740	870	2030	1972	<b>23,142</b>
Product/Service B <b>value</b>													
Product/Service C <b>value</b>													
<b>TOTAL SALES FORECAST</b>	<b>8883</b>	<b>16920</b>	<b>7050</b>	<b>9447</b>	<b>9024</b>	<b>9024</b>	<b>9870</b>	<b>10152</b>	<b>8460</b>	<b>4230</b>	<b>9870</b>	<b>9588</b>	<b>112518</b>

## Profit (Loss) Projection

	£	£	£
<b>Sales Revenue</b>			<u>112518</u>
<i>Less Direct Costs:</i>			
Opening stock	<u>1827</u>		
Plus stock purchases	<u>21315</u>		
Less closing stock	<u>0</u>		
Equals cost of goods sold		<u>23142</u>	
Employee costs (direct)		<u>18322</u>	
Other direct costs			
<b>Total Direct Costs</b>			<u>41464</u>
<b>Gross Profit</b>			<u>71054</u>
<i>Less Overheads:</i>			
Employee costs (indirect)		<u>4 477</u>	
Premises costs (rent, rates, utilities)		<u>60 000</u>	
Repairs		<u>-</u>	
General administrative expenses (telephone, stationery, postage, insurance: non-vehicle)		<u>2 560</u>	
Motor expenses (incl. fuel)		<u>-</u>	
Travel and subsistence		<u>-</u>	
Advertising and promotion		<u>1 000</u>	
Legal and professional costs		<u>850</u>	
Bank/finance charges		<u>(18 months free)</u>	
Loan interest		<u>9 672</u>	
Other expenses		<u>940</u>	
Bad debts		<u>-</u>	
Depreciation		<u>-</u>	
<b>Total Overheads</b>			79 499
<b>Net Trading Profit</b>			(-8445)

## Examples of Methods of Calculating Break-Even

*How much you need to earn plus business overheads should equal how many hours you need to work to earn enough to cover your costs*

$$\frac{\text{Personal Survival Budget} + \text{Overheads}}{\text{Average Charge per hour}} = \text{Number of hours to break-even}$$

*How much you need to earn plus business overheads should equal how many jobs you need to do to earn enough to cover your costs*

$$\frac{\text{Personal Survival Budget} + \text{Overheads}}{\text{Average Charge per job}} = \text{Number of jobs to break-even}$$

*How much you need to earn plus business overheads should equal how many units you need to sell to earn enough to cover your costs*

$$\frac{\text{Personal Survival Budget} + \text{Overheads}}{\text{Selling Price} - \text{Direct Costs per unit}} = \text{Number of units to break-even}$$

*How much you need to earn plus business overheads should equal how many sales you need to earn enough to cover your costs*

$$\frac{\text{Personal Survival Budget} + \text{Overheads}}{\text{£ Sales}} = \text{Sales to break-even}$$

### Gross Profit Ratio

*Your calculation:*

$$(-8,445) + 79,499 = 71,054$$

It is necessary to earn £71,054 which means it is necessary to sell 41,797 macaroons.

# Balance Sheet

## Balance Sheet

As at: 11/2015

	£	£	£
<b>FIXED ASSETS</b>			
Equipment	£8,430		
Motor Vehicles	£5,000		
Computer Equipment	£750		
			<u>£14180</u>
<b>CURRENT ASSETS</b>			
Stock	15960		
Debtors	£750		
Prepayments	-		
Cash and bank	£450		
		<u>£17160</u>	
<b>CURRENT LIABILITIES</b>			
Creditors	£8,000		
Loans/overdrawn bank accounts	£9672		
		<u>£17672</u>	
<b>NET CURRENT ASSETS</b>			<u>£34832</u>
<b>NET ASSETS</b>			<u><u>£49012</u></u>

<i>Represented by:</i>	Aouboukdir Wassila and Patin Tony
Owner's investment	Patin Tony
Plus profit for current year	112 518
Plus profit brought forward from previous years	-
sub-total	112 518
Less drawings	49 012
<b>TOTAL</b>	<u><u>£63506</u></u>

# Cash Flow Forecast

For period: November 2014 to October 2015

	Pre-start	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	TOTAL
<b>RECEIPTS</b>														
Sales - cash	-	10710	20400	8500	11390	10880	10880	11900	12240	10200	5100	11900	11560	135660
Sales - credit	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Owner's capital introduced	100 000	-	-	-	-	-	-	-	-	-	-	-	-	100 000
Loans received	125 000	-	-	-	-	-	-	-	-	-	-	-	-	125 000
Other:	-	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>TOTAL RECEIPTS (a)</b>	225 000	10710	20400	8500	11390	10880	10880	11900	12240	10200	5100	11900	11560	360 660
<b>PAYMENTS</b>														
Capital purchases	1827													
Cash purchases - stock														
Credit purchases - stock				21315										
Wages/salaries		1509	1723	1509	1509	1509	1509	1509	1509	1509	1509	1509	1509	18322
Rent	7000						7400							14400
Business rates				4300										4300
Repairs/maintenance							840							850
Utilities (electricity, etc.)										3000				3000
Telephone		39	39	39	39	39	39	39	39	39	39	39	39	468
Stationery	125		45								35			205
Postage	55													55
Insurance (non-vehicle)	610			610			612							1832
Motoring expenses	900						940					950		2790
Fuel	450						300							750
Travel/subsistence														0
Advertising/promotion	600		300			100								1000
Professional fees	250				120			80			50			500
Bank charges														0
Loan repayment	5000			5000			5000			5000				20 000
Drawings														0
Internet		37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	37.5	450
Other:														
<b>TOTAL PAYMENTS (b)</b>	16817	1585.5	2144.5	32810.5	1705.5	1685.5	16675.5	1665.5	1585.5	6585.5	4670.5	2535.5	1585.5	92052
<b>Opening Balance</b>	208183	217307.5	235563	211253	220937.5	230132	224336.5	234571	245225.5	248840	249269.5	258634	270035.5	
<b>Cash increase/(decrease) [a-b]</b>	208183	9124.5	18255.5	(-)24010.5	9684.5	9194.5	(-)5795.5	10234.5	10654.5	3614.5	429.5	9364.5	9974.4	268 608
<b>Closing Balance</b>														

Jane Howard Sept 2012

20 10/02/14

## Contingency Planning

*Consider the “what ifs” within your business and what preventative actions you could take. This mostly concerns **the financial side** ie if a major client goes bankrupt and fails to pay or fails to pay in time. Also key staff including yourself - if someone leaves what are your plans to cover the loss of that person. Consider illness or car breakdown, you might need to fund a replacement or increase borrowing to recruit or bring in a freelance person to cover the gap.*

## Financial Analysis

*For example: State the expected delay “the cash flow gap” between invoicing and receipt of payment; when you project to break-even; when you expect to employ staff, any funding or subsidy you expect to receive, etc.*

The macaroon production will not permit to earn enough to cover the costs but it remains a product on which the margin is important (£1.31). It is then important to make people consume other products from the Bakery, even if these are products sold in other places in Coventry. It concerns the bread, the baked food, the pastries, the cakes and the drinks. The macaroons should be a driving force leading people working or living in Coventry to come in our shop instead of another one, but it should not be the only reason why they come.

Concerning the cost for the production, it is optimise it by mixing different production. For example, using the oven at the same time to bake the macaroons and the bread is an opportunity to save money on electricity and make the oven lasts for a longer time, not becoming obsolete to fast.

Concerning the staff, in a first time, it will be judicious to have the two managers knowing how to bake in order to help the baker when special deliveries are needed, instead of paying another person for extras, which would not necessarily be a specialist in French food. When a second person will be recruited, it will correspond to the period in which an online service is planned, and then one of the manager will have to manage the Internet account as none of the manager will be required to cook anymore and the service can be done by only one person in off-peak hour.



## Training Plan

*This should include any areas that will need addressing to establish the business and proprietor's skills within a set time frame.*

DETAILS	ACTION	COMPLETION DATE
The entrepreneurship is different in France than in UK	Workshops and interviews at the IAE to get some advices	05/2014
The Baker should be able to manage his stocks	Training with his actual boss in France	06/2014
The three members are not English	Special training in English language	08/2014
Make the manager be able to help the Baker when needed	Training period in France in the French Bakery	09/2014
DETAILS	<u>REVIEW OF TRAINING PLAN</u> COMMENTS	COMPLETION DATE