

Business Plan IGA Baking Group

Name of Group:
Nasi Women Group

Project: Baking Group

Date: 29/3/2016

Business Organization

Our Mission

The purpose of the business is to help the women's group become more and to help their families' financially. The women will be selling bread and other baked products to reach this goal.

Roles and Duties

Chairlady	To organize the group and arrange meeting times. Settling group disagreements fairly. She is also the head of the group and settles disagreements when she can before it becomes an issue. Also welcomes visitors to the community or group.
Vice Chairlady	Helping the chairlady in organizing the group. She knows and organizes when the group is lacking equipment or supplies and finds out why people are absent from the group and the cause of any disputes.
Treasurer	Keeps records of money and collects funds. Keeps records of incomings and outgoing inputs and outputs. All the supplies and equipment is stored at her house and there is a special room allocated for these things. Also all the receipt and finance books are stored at her house.
Secretary	Writes reports of what is happening within the group. Keeps notes of meetings.
Coordinator	To monitor others and to make sure that everything is in order. Ensuring that hygiene standards are met and that the products are of sufficient quality.
Member	Advertise the business, make products, and arrive on time for all meetings. Make suggestions on how to improve the business.

Regulations

1. Meetings start and end with a prayer.
2. Anyone who is absent from the group without informing anyone has to pay 20 Kwacha.
3. If a member is late, they must pay 10 Kwacha.
4. No gossiping. If found to be gossiping a member must pay 20 Kwacha.
5. If a member does not attend 3 times, they will be called to explain their reason for absence. If a good excuse is given they will not be removed but must come to next meetings. If a member does not attend 4 times they will be told to leave the group.
6. Committee meetings are at the start and at the end of every month.
7. Whoever attends peace work without informing someone pays 100 Kwacha.
8. A members who speaks about committee meetings to others must pay 50 Kwacha.
9. All members must agree on all decisions made.
10. Anyone who bad mouths the group is taken to the chief.
11. Whenever someone doesn't pray they must pay 20 Kwacha.
12. If someone is sick in the group every member must pay 100 Kwacha for their health bills.
13. If someone in the group loses a relative, every member must pay 100 Kwacha for that person.
14. Meeting are every Monday and Wednesday.
15. If someone is not doing their job properly they will be removed from their position.
16. If an individual is found stealing from the group they should be taken to the chief advisor who will decide what action should be taken.
17. If someone is found baking the same products and selling them outside of the group, that person must pay 500 Kwacha.

Operation Section

The business produces bread and other bread products to sell to a variety of customers. They produce their products in Phulano, which is a small village set between Hara and Kwawa. They currently bake three times a week on Mondays, Wednesdays and Saturdays. This will need to be adapted to baking 7 days a week.

Marketing Plan

Customers

- Tourists
- Tourist Lodges
- Villagers (Hara, Uliwa, Kwawa)
- Organizations
- Guest Houses

Differences:

1. Tourists have money to buy the products and also may be more interested in buying our women's goods as it is a charitable venture and cultural. The tourists are relatively close to Phulano and tourist buses pass the stall. Tourists could be best exploited if the women go directly to the lodges.
2. Lodges such as Majizuwa provide food and accommodation for tourists and for guests attending conferences and events. They serve breakfast, lunch and dinner and there are thus a number of different products that the women could provide to cater to the needs of the lodges.
3. Local villagers in Hara, Kwawa and Phulano require products daily such as bread. The women's group is in the middle of both Hara and Kwawa and thus they could exploit these villagers as well as those in their own village. The villagers will be more likely to order cakes and other occasional products as their reputation grows.
4. Organizations such as World Vision, Focus, and Plan International hold conferences at surrounding lodges in Chilumba. The women could supply their baked products to these conferences as snacks.
5. Guest houses provide lodge and food to their customers. The lodge owners may want to economize on certain goods by buying from the women's group.

Strengths, Weaknesses, Opportunities, Threats

Strengths:

1. The women are committed and hardworking.
2. They are a very proactive group.
3. The women are quick to learn.
4. The women are well coordinated.
5. They are a strong group with a strong bond as they have been together for a very long time.
6. They are passionate about baking and advancing their business.
7. They have a very good chairlady with good leadership skills.

Weaknesses:

1. Poor record keeping which can lead to misunderstanding of profit made.
2. Limited knowledge about running a business.
3. Goods do not have a long shelf life
4. Inconsistency in production.
5. The ever increasing price of bread flour causes major losses to the business if prices of products are not revised.

Opportunities:

6. Lack of diverse baked products in Phulano and surrounding areas creates an opportunity for the women to supply diverse products.
7. Tourists and people in the community are willing to buy the products that women are making.
8. Occasional requests for the products e.g. birthdays, holidays, and events.

Threats:

1. The market is saturated with Bakers Pride bread and Bakers Pride enjoy economies of scale, therefore their bread is larger and cheap for the size.
2. Other businesses or people copying new product ideas.
3. Competition from other already established businesses.
4. Falling of demanding in certain seasons such as the rainy season as people prefer to eat maize than to buy bread.
5. Location of business; it is a bit far from most trading centers around Chilumba, therefore not many people know about the business.

Competition

Competition: (Same Products)

1. Vendors - people on the side of the road
2. Supermarkets (Peoples, Daystar, and Khumbo)
3. Hara, Kwawa and Uliwa market stalls.

Differences:

1. The women's business is small as they do not make products every day, while some vendors buy and sell goods every day.
2. The Supermarkets are already established and trusted by most people, while the women are very local without a very strong reputation as they are just starting out. Products are cheaper in Peoples and Chipiku as they are already established. The products are of very good quality because they source the goods from producers that produce at an industrial level.
3. Stalls also sell Bakers Pride bread as well as other brands of bread right in the trading centers.

Competition (Alternative):

1. Supermarkets (Peoples, Chipiku, Daystar, and Khumbo)
2. Women at side of the road
3. Market stalls

Differences between their products and ours:

1. Supermarkets are open almost every day of the week and are a trusted establishment. They sell products such as crisps, biscuits, Kamba Puffs and so on, which some people may prefer to buy as snacks and not bread products.
2. Women at side of the road sell varied products like bread buns, banana bread and fried banana which opens up to a different and more varied market. Mandasi's are always readily available in Uliwa whereas our women just sell their products on their baking days. The products sold at the side of the road cost less than 100 kwacha generally, however the cost of mandasi for example can vary depending on location

and quality from 20-50 kwacha.

3. Market stalls- more constantly available, Hara, Uliwa, prices are slightly cheaper and have basic packaging available.

SWOT Comparison:

Why will your customers choose you?

- *We will bake quality products.*
- *We sell a wide variety of products.*
- *There is no other option in Phulano, and we will have a monopoly on bread in the area.*
- *It's a charity funded business, associated with women's empowerment and development.*
- *If we preserve the goods then it reduces the threat of seasonality.*

Market Research

Market sales prices: (size and prices of competitive products and the month information w as found)

End of February 2016

Bread (Loaf) – K350 – Hara, People's

Buns – K 20 for a small bun, usually sold for K200 for a pack of 10.

Large buns – 50 K. - Vendors

Your sales prices: (size and prices of products)

<i>Product</i>	<i>Price</i>
<i>Bread</i>	K350 per loaf
<i>Buns</i>	K25 each
<i>Garlic Buns</i>	K150
<i>Milk Scones</i>	K200
<i>Banana Bread/Cake</i>	K1000 (Whole)
<i>Banana Bread/Cake</i>	K150 (A piece)
<i>Honey and Milk Bread</i>	K450

Input costs: (everything we need to produce and sell products)

<i>Item</i>	<i>Cost(MWK)</i>
<i>Bread Flour (10kgs)</i>	5,500
<i>Cake Flour (2kgs)</i>	1,850
<i>Vanilla Essence (40ml)</i>	395
<i>Raisins (250g)</i>	995
<i>Honey (400ml)</i>	2,015
<i>Butter (500g)</i>	1,170
<i>Sugar (1kg)</i>	680
<i>Yeast (K20 per teaspoon)</i>	500
<i>Baking Powder</i>	250
<i>Cooking Oil (750ml)</i>	1,150
<i>Bananas</i>	500

<i>Garlic</i>	600
<i>Eggs (15)</i>	1,050
<i>Milk (1ltr)</i>	500
<i>Kerrigold Powder Milk (40g)</i>	240
<i>Cinnamon</i>	995
Total	18390

Costs of Ingredients

Financial Section:

Estimated/Approximate Cost Price of Products

Garlic Buns

<i>Item</i>	<i>Cost Per Batch (MWK)</i>
<i>6 Cups of Flour (1kg)</i>	550
<i>Two tablespoons of Yeast</i>	80
<i>One tablespoon of Salt</i>	3.4
<i>Two tablespoons of Sugar</i>	11.56
<i>One tablespoon of Cooking Oil</i>	17.25
<i>20 Cloves of Garlic</i>	300
<i>Magarine (Blue Band) 4 tablespoons</i>	79.56
Total	1,041.77

The above total cost accounts for 15 Garlic Buns, therefore it costs K70 to make one Garlic bun. Must sell 8 to break even.

Banana Bread/Cake

<i>Item</i>	<i>Cost Per Batch (MWK)</i>
<i>3 and half cups of Flour</i>	261.80
<i>10 Bananas</i>	250.00
<i>1 teaspoon of Vanilla Essence</i>	43.89
<i>2 Eggs</i>	140.00
<i>2 teaspoons of Baking Powder</i>	21.25
<i>1 teaspoon of Salt</i>	2.55
<i>Half a cup of Honey</i>	629.69
<i>Two thirds of a cup of Cooking Oil</i>	255.55
<i>Half a cup of Milk (First Choice)</i>	75.00
Total	1,678.93

The above total cost accounts for 3 loaves of Banana Bread, therefore it costs K559.64 to make one Loaf. 2 loaves should be sold to break even.

Milk & Honey Bread

<i>Cost</i>	<i>Cost Per Batch (MWK)</i>
<i>250ml of Milk (First Choice)</i>	150.00
<i>1 tablespoon of Yeast</i>	40.00

<i>A third of a cup of Honey</i>	419.00
<i>2 teaspoons of Salt</i>	3.40
<i>4 tablespoons of Margarine (Blue Band)</i>	79.56
<i>8 cups of Flour</i>	550
Total	1,241.96

The above total cost accounts for 3 Loaves of Bread, therefore it costs K413.99 to make one Loaf. Sell 2 to break even.

Milk Scones

<i>Item</i>	<i>Cost Per Batch (MWK)</i>
<i>2 Eggs</i>	140.00
<i>250ml of Milk (First Choice)</i>	150.00
<i>40g of Kerigold Milk</i>	240.00
<i>3 Cups of Cake Flour</i>	300.00
<i>Two Thirds of a Cup of Sugar</i>	61.65
<i>3 tablespoons of Margarine</i>	70.00
<i>2 teaspoons of Vanilla Essence</i>	98.00
<i>3 teaspoons of Baking Soda</i>	42.50
<i>A handful of Raisins</i>	99.50
Total	1,201.65

The above total cost accounts for 15 Milk Scones, therefore it costs K80 to make one Milk Scone. Sell 6 to break even.

Breakeven Explanation: (note the breakeven point and how long it should take to achieve it)
Projected Contribution per Week

<i>Product</i>	<i>Quantity</i>	<i>Price</i>	<i>Revenue (MWK)</i>
<i>Garlic Buns</i>	30	150	4500
<i>Banana Bread (Whole)</i>	5	1000	5000
<i>Milk & Honey Bread</i>	20	450	9000
<i>Milk Scones</i>	60	200	12000
Total			30500