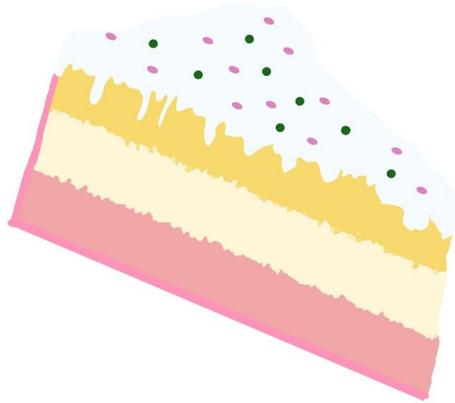


PIECE OF



Piece of Cake Baking Company

JA Business Plan

Canyon Crest Academy

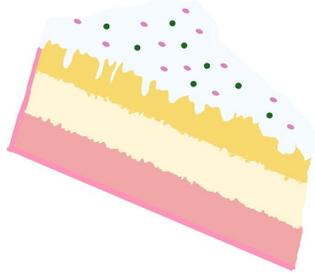
2019

Brian Baum, Ken Schmitt, Garrett Colbert

San Diego, California

Piece of Cake Baking Co.

PIECE OF



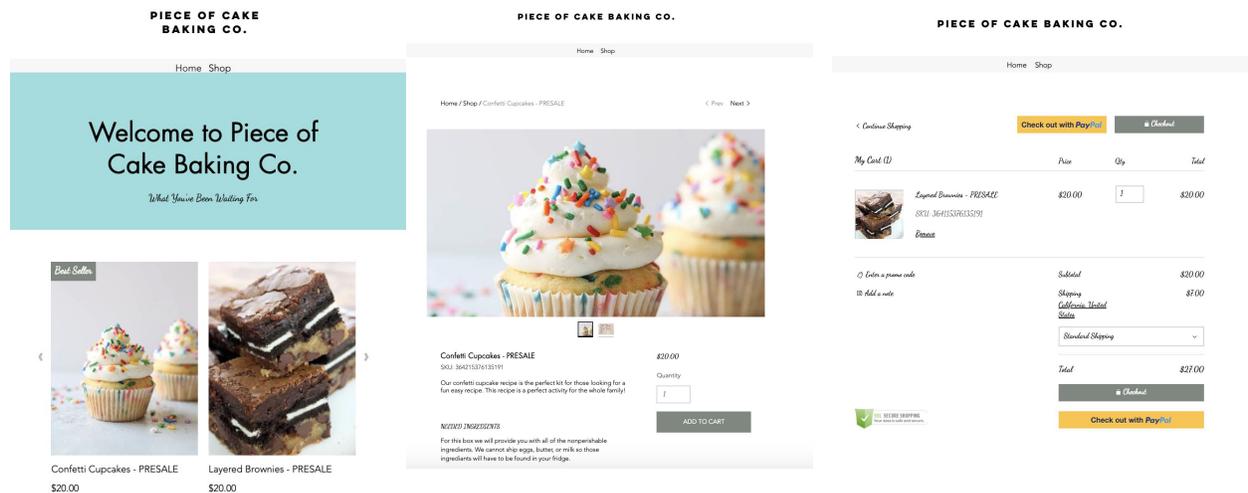
Piece of Cake Baking Co. is a company that aims to make baking a fun and easy activity for the whole family. We curate recipes and package all of the non-perishable ingredients needed for each recipe. Right now, we have two recipes: Confetti Cupcakes and Layered Brownies. We send our customers kits with pre-measured, separate ingredients and a simple instruction card, making homemade baking simple.

The mission for our company is to bring people together, through the art of baking. We hope people find our kits to be a fun, engaging experience that can be enjoyed with family and friends. Making something turn from powder to a decadent dessert leaves people with a feeling of accomplishment and happiness.

Throughout our nine weeks in business, we have sold 12 baking kits at \$20 each (plus \$7 shipping for 2 units), totaling \$254. We have had \$203.81 of expenses, leaving our revenue at \$50.19.

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Our company began from a love of baking. We feel that baking is the perfect activity to bring loved ones together and we hope to share our love of baking with those who may not know where to start. We measure the ingredients and pick the recipes, leaving the fun part to the customer. Piece of Cake hopes to inspire future bakers to leave box cake mix behind and discover their own passion for baking! We start by finding the best recipes and then sourcing the best ingredients. Then, we make the kit, pre-measuring all non-perishable ingredients and labeling them in separate bags. A recipe card and thank you note is included in the package. Finally, we upload the recipe to our website and market it to see how many people are interested.

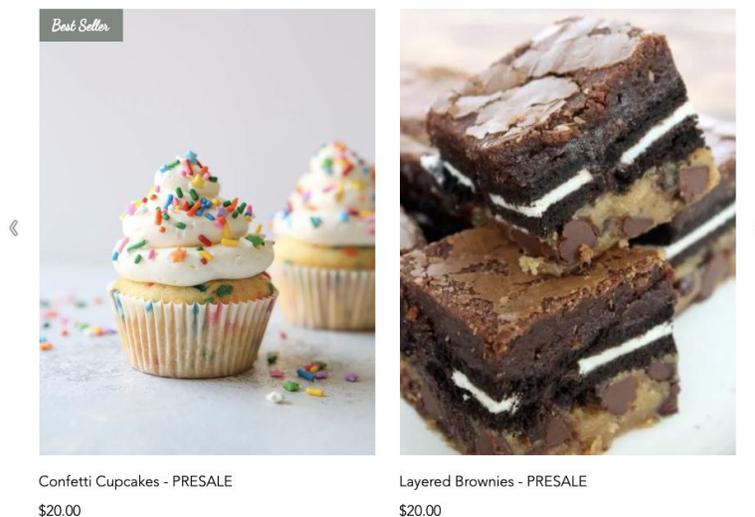


We started our company hoping to be a subscription box, delivering recipes twice a month to our customers, however, we found this difficult to execute logistically. It was hard to set in place a system of recurring payments on our website and we found the only way for our subscribers to pay would be up front. For first time buyers, this is not ideal as they do not know our company and do not want to be locked into receiving multiple kits of a product they are not sure they will like. To combat this issue, we chose to offer specific recipes to our customers as a one time purchase; if they enjoy the kit, they can come back to buy another one of the same or different recipes. This gave our customers much more freedom and security in their purchase.

Our target market is mothers and families that are living in San Diego. We mainly appeal to women aged 10-40. The age demographic is broad because we feel that our baking kits are fun that the whole family can enjoy.

Our main competitor is Red Velvet, a baking box that includes ingredients for the recipe of their customers choice. Our company is similar to Red Velvet, but we are cheaper, centered on opposite sides of the country (San Diego and NYC), and have different recipes.

Currently, we are offering two different products to purchase from on our website or in person. We have a kit for Layered Brownies and a kit for Confetti Cupcakes. Each box contains an array of pre-measured ingredients needed to make either recipe and a recipe card with detailed, easy to follow instructions. Our kits are perfect for those looking to make homemade desserts without the hassle of buying and measuring ingredients and no mess from measuring cups. We have found our most popular kit to be the Layered Brownie kit, so we plan on adding more chocolate dessert recipes onto our website.



Both boxes are \$20.00 and we plan to add more recipes at higher and lower price points in the future to appeal to more customers. We have found \$20 to be a reasonable price that we can still make a profit at. Although we would like to, we are currently not able to go any lower than \$20.00, but we may in the future when we buy more of our packaging and ingredients in bulk.

We charge \$7.00 for shipping as our cost of shipping is \$8.75, but we do not want our customers to pay that much as many dislike shipping costs. In the future we expect our cost for shipping to decrease as we ship in bulk orders or partner with a local shipping company.

We have finished making our first 15 boxes and will start making more once we sell the majority of the first 15 and can afford to buy more materials. The next 10 boxes will cost less to make as we have a lot of ingredients leftover that will carry over to our next round of boxes. We also do

not have to purchase labels and bags again as we purchased in bulk and have enough for all the boxes we are going to make.

Our current recipes include Confetti Cupcakes and Layered Brownies. For these kits, we include all of the dry, non-perishable ingredients such as flour and sugar. As we are unable to ship dairy, we expect our customers to have items such as milk, butter, and eggs to complete our recipes.



Our Confetti Cupcake kit includes:

- 1 ½ cups of Cake Flour
- ¾ cup of All-purpose Flour
- 1 cup of Granulated Sugar
- 1 tsp. of Baking soda
- ¾ tsp of Kosher Salt
- 3 cups of Powdered Sugar
- ¾ cup of Rainbow Sprinkles
- Piping Bag (for frosting)
- 15 Cupcake Liners



Our Layered Brownie kit includes:

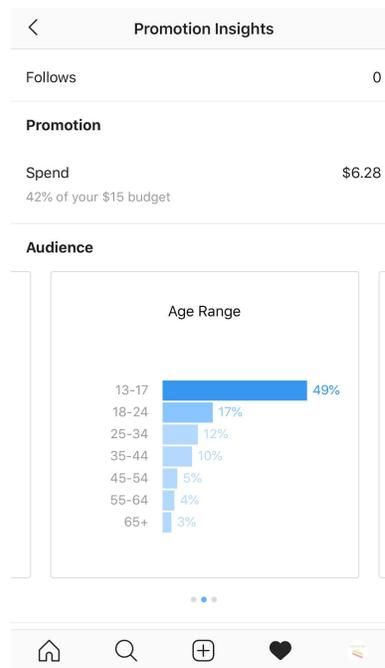
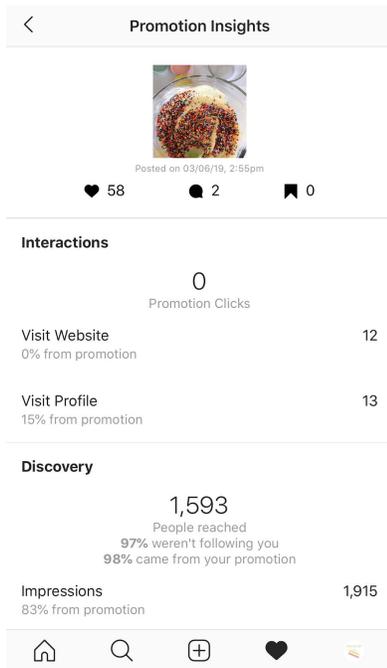
- 2 cups of White Sugar
- ¾ cup of Cocoa Powder
- 1 ¾ cups of All-purpose Flour
- ½ tsp of Baking Powder
- ½ tsp of Baking Soda
- 1 cup of Chocolate Chips
- ¼ cup of Brown Sugar
- 15 Oreo Cookies

At Piece of Cake, we believe that each team member should be a part of the production process in order to ensure that quality boxes are being produced and distributed. Each employee helps out in packaging and measuring the ingredients to meet quality standards and expectations. Once each box is filled, labeled, and appropriately packaged, they are hand inspected by our COO and CEO for quality assurance and to make sure every customer receives the right product. The inspection is necessary to catch any small errors with ingredients or labeling, which happen easily. Then, our online orders are brought to the post office where they are shipped with care and in time to meet the estimated delivery date.

It costs about \$10.50 to create each box and \$8.75 to ship. We have chosen to only have our customers pay \$7.00 for shipping as most believe \$8.75 is too high of a price in comparison to the price of our box. For now, this is a price we will have to use, but we hope to get a bulk discount or business relationship with the post office to reduce costs. Our margins are about 43.5% on boxes that we sell online and have to ship. For in-person sales, our margins are 47.5%. Our current margin for overall sales is about 47%. The projected forecast for our company's sales is about 3 boxes per week. Our operational resources include our five team members contributing to help make each box, our website used for online purchases, which currently costs \$28 a month to maintain, and our shipping costs. Currently, none of our team members are taking a salary in order to ensure the success of our business. We plan to put most of the money we make back into the company and divide the final profits among our team of five at the end of the JA program.

Before we began marketing, we distributed a survey to those in our target market. We received about 70 responses that confirmed our main customers to be women aged 10-40, and also helped us gauge what our prices should be. It also allowed us to see what social media our target markets preferred to use.

In order to sell kits, our company chose to focus our social media marketing on Instagram and Facebook. We are also using personal selling to reach our target market and to make sales. On our Instagram account, we educate our followers about our products, recipes and our website. We purchased an ad on Instagram to reach out to potential customers that are not aware of our business and do not follow our account. The ad reached over 1500 women in San Diego aged 13-50. However, the ad was not successful in getting many people to go to our website, and we did not get any sales from it. We chose to only run it for two days as we were not receiving the response we had hoped for.



Another way we use social media for our business is through Facebook. We asked a few of our Moms to post a short introduction to our business and link to our website on their Facebook for their friends to see. This is perfect for our company since most of our Mom’s friends are in our target demographic and posting on Facebook is an easy way to promote to a large, engaged audience. Our posts were successful and we sold 3 boxes this way.

Our main marketing strategy is to use personal selling. We had a bake sale at a nearby post office to sell our boxes. At the bake sale, we offered free samples of our layered brownies and displayed our boxes and offered brochures. We also decided to partner with the Make a Wish club at our school and gave 20% of the money we made to them. Having a cause behind the bake sale was important to encourage people to support the charity and buy the kit. We sold 3 baking kits and educated many people about our company and who we are.

Our company is small but powerful. The template for how we divide up our responsibilities is based on the different operations we have. Piece of Cake Baking Co., has a CEO, COO, CFO, CMO, and HR Director. Together we combine our knowledge to execute our CEO’s vision for our baking kits. Our communication is constant via text and the use of Google Docs to ensure we are all on the same page regarding our business strategy and deadlines.

Ashleigh Craig (CEO): As CEO of Piece of Cake Baking Company, Ashleigh’s role is most vital in configuring the vision of the company. Our directive has shifted from a subscription box to a

one time deal with the help of her creative vision. As CEO, she unites the different branches of our company and makes sure they are on board with her direction. She oversees all operations and uses her authority to make any executive decisions.

Hallie Munoz (COO): As COO, Hallie oversees the operations of the company by making sure the delivery and execution of our boxes are up to standard with the quality we proclaim. She uses her authority to ensure our procedures on our financial side, as well as our operations to create the boxes, are on time.

Andrew Dysart (CFO): As CFO, Andrew focuses on the quantitative aspect of our boxes. He has used financial margins and listed our operational costs, as well as labor, when factoring in how much we should charge for our boxes. He is needed for strategy execution in order to make sure our profit margins are large enough for the company to continue.

Sheeva Davari (CMO): As CMO, Sheeva focuses on gaining attention for our company. In our modern world, the use of social media is vital in order to gain publicity for Piece of Cake Baking Co. To maximize our consumer base she has also emailed teachers and put up Facebook posts, which has received positive feedback.

Pauline Charlot (HR Director): As HR Director, Pauline is able to communicate with all members of the company and make sure they are keeping up with their work and facilitate any problems that may arise. She is responsible for the dynamic of the group by encouraging an innovative team and by ensuring everyone's voice is heard.

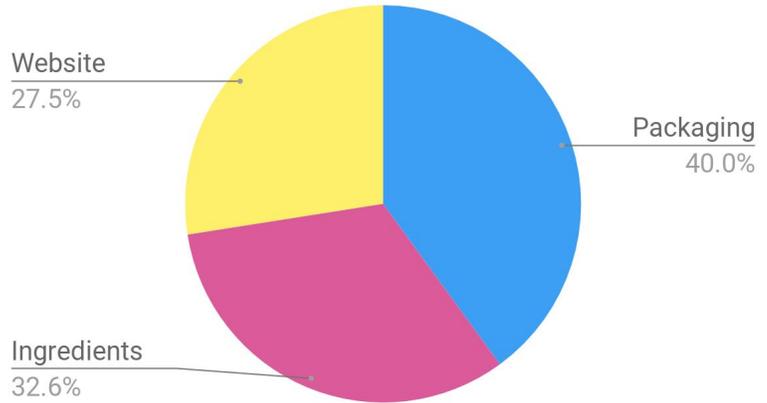
In order to have our team be as productive as possible, we value certain things at Piece of Cake Baking Company. Collaboration, communication, and a love for baking have made it possible for us to figure out the logistics and put in the hard work to make our company's vision become reality. Our company is inclusive of different ideas which is why we value every contribution that comes.

In the future, we could continue our company by offering many different recipes on our website that appeal to everyone's tastes. We could also expand to include recipes for those with dietary restrictions such as gluten and dairy free. Expanding what we offer would increase our business a lot as anyone interested in the product would be able to find something that fits their tastes and needs. Another step we could take is getting shelf space in local grocery stores. This would give our business a great deal of exposure and would be amazing marketing. We believe our product could compete with big name box cake and dessert recipes as we offer an option in between box mix and buying and measuring every ingredient necessary for a recipe. Additionally, partnering with companies that sell desserts, such as bakeries, could be a great course of action for our

company. Using their recipes and ingredients to create desserts that customers know and love for a percentage of our profits could greatly increase interest in our business.

Statement of Activities	
Operating Year Jan 2019 - April 2019	
Statement of Activities (Profit/Loss)	
Total Income	\$240.00
Expenses	
Ingedients	\$66.38
Advetising	\$62.28
Boxing Mateials	\$81.43
Total Expenses	\$203.81
Total Income - Total Expenses	\$36.19
Company Bonuses	\$0.00
Net Profit after Company Bonuses	\$36.19
Statement of Financial Position (Balance Sheet)	
Assets: Cash Balance	\$36.19
Liabilities and Capital	
Capital Stock	\$0.00
Other Income	\$0.00
Company Bonuses	\$0.00
Net Profit	\$36.19
Total Liabilities and Capital	\$36.19

Business Expenses



Our company has spent a total of \$203.81 which was all personally financed. The majority of our money was spent on materials for the boxes and packaging. We saved money on ingredients because we were able to use some of the same ingredients in both the Confetti Cupcake and Layered Brownie boxes. The Miscellaneous is money that we have used for our website and ads. So far, in 9 weeks of business, we have sold 12 boxes for a total of \$254.00, each box selling for \$20.00. Two of the boxes were sold with the extra \$7.00 shipping charge.

In order to break-even, we needed to sell either 8 cupcake kits or 5 brownie kits, which we surpassed. Our profit margins are 53.45% for the cupcake kits and 88.1% for brownie kits.

We have had the most success in personal selling as all of our kits so far have been sold through our bake sale and Facebook posts. We also have the added cost of our website that is \$28.00 each month. However, the one-time purchase of our ingredient bags and labels should help to offset this. Our company's total revenue is \$50.19.