



UNIVERSITI TEKNOLOGI MARA

FUNDAMENTALS OF ENTREPRENEURSHIP
(ENT 300)

TASTY GATEAU

BUSINESS PLAN

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1.0 Introduction

1.1 Industry View

Nowadays, cupcakes have become a trend everywhere. This can be seen through the media such as television and magazines. A good example is Martha Stewart's Cupcakes, a collection of 175 recipes which was published in June and spent 11 weeks on The New York Times best-seller list. The popularity has increased from day to day. "Cupcake stores are taking the place of ice cream stores," said Adam Borden, whose Baltimore-based venture capital firm, Bradmer Foods, specializes in food-focused enterprises.

Nationwide, Cupcake Sales, according to the market research firm, Mintel, are projected to increase another 20% over the next 5 years at a time when other baked goods are expected to grow in single digits.

Statistics say, the opening of a cupcake bakery in town will cause the sales at all other cupcake bakeries to increase. This is because; there is no season for cupcakes as it is universal. Today, cupcake has slowly replaced standard cakes in all events. Most of the people are switching from cakes to cupcakes as cupcakes offered variety of design in an individual portion which is adorable and attracting.

Furthermore, there is a wide range of accessories going from cupcake baking pans to frosting products and decorative toppers. Here comes the strength to compete with others where lots of experiment can be done in order to improve the quality of cupcakes and its design in order to attract the customer.

Thus, we have chosen cupcake as our product to start a business. This is because cupcake has the potential to go further in this industry and it is a highly competitive business. Nowadays, it has become popular among teenagers and kids. Furthermore, there are a lot of unique recipes that can be explored in order to compete with others.

The target markets are teenagers and kids who are looking for a sweet treat or multiple cupcakes for an event such as birthday party or wedding. Generally, kids and teenagers are common to this kind of stuff because it is something adorable.

1.2 Purposes

First of all, the business plan is prepared to seek loan from the bank. The reason is to support the business at the new stage of starting the business in order to cover back all the expenses incurred. Other than that, it is to convince the investor to invest in the business. In addition, this will help the investor to make a clear decision. Furthermore, it will help us to find the suppliers and customers easily.

1.2.1 Loan

Loan is needed to cover up all the expenses incurred by the business. Furthermore, a new starting business has a higher risk to suffer losses at first few months. This is the reason why we need to make loan from the local bank. Firstly, we have to choose the bank wisely. It is important for us to choose the bank with lower interest rate.

1.2.2 Investor

Investor plays an important role in the business. They are the people who we need to convince to invest in our business. We need to convince them that this business has a brighter future and can go further in this industry. We need their support in order to increase the capital. Capital is needed to make sure the stability of a business.

1.2.3 Supplier

Suppliers are responsible on supplying the raw materials of the product to the business. They are very important to the business. Thus, a strong relationship needs to be built in order to maintain the business operation.

1.2.4 Customer

Customers are the target market of the business. We need to fulfil their satisfaction in order to increase the demand to generate high profit. Thus, a good relationship needs to be built because they play an important role in the business.