



**By Claire Barr, Brenna Knapp, Rhiannon Lang,  
Zenita Leang, and Cléa Stammier**

## Table of Contents

<b>Executive Summary</b> .....	<b>4</b>
Marketing and Operations.....	5
Finances.....	6-7
Short Term Goals.....	7
Long Term Goals.....	7
<b>Business Description</b> .....	<b>8</b>
Business Concept.....	8
Products and Services Provided.....	8
Business Model.....	9
Business Mission Statement.....	9
<b>Industry and Marketing Analysis</b> .....	<b>10</b>
Industry Structure.....	10
Market Size.....	10
Growth Rate.....	10
Market Trends.....	11
Market Share.....	11
Target Market.....	11
Market Niche.....	12
Survey Results.....	13
<b>Competitive Analysis</b> .....	<b>14</b>
Direct Competitors.....	14

**SWOT Analysis.....15**

Strengths.....15

Weaknesses.....15

Opportunities.....15

Threats.....16

**Marketing Plan.....17**

Purpose.....17

Benefits.....17

Target Market.....17

Niche.....18

Tactics.....18

Identity.....19

Costs/ Promotion, Sales, and Advertising.....19-21

Pricing Strategy.....22

**Operations Plan.....23**

Operations Procedures.....23-24

Loaf of Life Menu.....25

Distribution Channel.....26

Production and Distribution.....27

Legal Requirements.....28

Management Team.....29-31

## Executive Summary

Bread is a universal sign of peace; the one food that is eaten by people of all races, cultures, and found all around the world. You can find different types of bread in every country, but so far people are unable to have a taste of the world's breads in one place. That is what Loaf of Life is here to do. We provide breads from more than eight places and cultures from around the globe to bring either a new taste or a taste of home to our customers. Bread has been around for centuries (invented by the Egyptians) and continuously the world creates new and improved types of bread for others to enjoy. Which is what Loaf of Life intends to continue doing with its great range of cultures in one largely populated location with 88% of its consumers looking forward to an original bakery. Over the next five years the bakery industry is planned to rise 6%, making this a powerful time to introduce our bakery. Financially, as a bakery that donates 5% of our yearly net profit to humanitarian charities, we attract people willing to help out one another. Also, having made our donation come from our net profit, our expenses will have already been made, and we will be pleased to give charity a higher outcome as well as have a high profit. Multiple types of breads need different amounts of cooking time, which is why Loaf of Life has our bakers prepare fresh loaves of bread every morning, as well as nightly cleanups and preparations. Our Bakery has a unique vibe that grabs the attention of our customers and helps out others, ensuring our success. So try something new because we Loaf you!

## **Marketing Summary**

Loaf of Life will advertise using several strategies that will attract adults, kids, and teens. First, we will advertise through social media accounts, ads, and contests. Next, we will pay to have ads in the Long Beach Press Telegram for a year. We will create a website with information about what we sell and volunteer opportunities. Though clipper magazine we will also send out ads to homes in Long Beach. Furthermore, we will pay to have ads on Google using Google Ad Words. Loaf of Life will also create pages on yelp and other websites similar to it. Lastly, we will sell reusable bags with our logo on them as a way to protect the environment and advertise our bakery.

## **Operations Summary**

Dry ingredients are purchased from King Arthur Flour and delivered every first Tuesday of the month for a twelve percent charge on shipping and handling– at least \$30.00. Fresh ingredients are self-purchased from Jetro. Upon delivery, ingredients will be stored in the kitchen pantries. Our personnel consist of six total employees: a bakery manager, three co-bakers, and two counter servers. The bakers will check in at 5 AM to begin baking breads, as well as preparing for the day. Counter servers check in at 6:30 AM, before the business' operating hours at 7 AM. During the day, counter servers will take orders from customers and bakers will prepare sandwiches, breads, and other baked goods to meet customer satisfaction. Items on our menu will be marked up an average of

400%. Closing hours are at 7 PM, but bakers will stay until 8 PM to prepare dough ready to bake for the next day and to clean up.

## **Finances**

Loaf of Life is a bakery that needs to pay about \$30,000 in start up costs to create a fully functioning and welcoming place to be. With six full time employees, our monthly cost to pay them ranges around \$6,000- \$7,440, depending on the amount of hours they work and their jobs. We plan on selling 70-90 loafs of breads per day, giving us a total sales of 2200-2500 monthly. Our second year, our sales will increase to give us a greater total sales per month. Loaf of Life will start off with an opening balance of \$31,330, and gain a gross profit of \$18,000 in our first month; after paying off our monthly expenses we will have a balance of \$39,455. This is a greater balance than our opening, which is a continuous pattern throughout our whole first year. Our yearly income statement deals with our yearly earnings minus the total yearly expenses. In our first year, we have a total net profit of \$92,945, which can be used to expand our business, improve, or just save for more profit. As a part of our business concept, however, we donate 5% of our yearly net profit to charity. Therefore we donate \$4,647 our first year and still have \$88,298 as our bakery's profit. This way our charity aspect does not interfere, or hurt our bakery if there was an unfortunate year. On our second year we plan on having \$141,058 as a total profit even after paying a charity \$7,052. We took a loan of \$60,000 dollars and plan on paying it off in a course of 7 years. This way our monthly payment is \$905.56. By the

end of our first two years our loan repayment will have decreased. To break even we will need to sell at least 45 loaves of bread a day and 16,290 loaves per year. We will be past breaking even each year.

## **Short Term Goals**

Loaf of Life's short-term goals include, making a net profit that will have enough money to donate 5% to charity. Using effective advertising that will attract enough customers to make a profit. Lastly, making good quality bread that people will enjoy.

## **Long Term Goals**

Loaf of Life's long terms goals include, making enough money to donate more than 5% of our yearly net profit to charity. Opening another bakery in a different location, and lastly adding more types of breads to our menu.

## **Business Description**

### **Business Concept**

Loaf of Life is an innovative bakery that provides loaves of breads from different cultures around the world. Our bakery encourages customers to try something new, and have a taste of the world, as well as providing common bakery treats, and sandwiches with your choice of bread. This specialized bakery is also dedicated to donate 5% of our yearly net profit to a charity of choice. We gathered data from a survey of over 100 people, and discovered that 88% of people want, and are willing to go to a cultural bread bakery. As a modernized place to eat, work, or relax, Loaf of Life invites people of all ages and ethnicities to enjoy a taste of our delicious, mouth-watering bread.

### **Products and Services Provided**

Loaf of Life is your local bakery that offers a wide variety of choices in our menu in breads and pastries, ranging from delicious bakery sweet treats to sandwiches to our well known freshly baked breads from cultures all around the world. In our friendly atmosphere, you are sure to feel right at home as you enjoy the fresh baked treats reminding you of the gatherings and celebrations back in the homeland. At the end of every year, five percent of our total net profits are donated to charities so that they can get the opportunity to enjoy the feeling of “home” as much as you can. Here at Loaf of Life, every slice counts.



## **Business Model**

Loaf of Life Bakery is a retail establishment that specializes in bread from around the world. Ingredients for the bread will be purchased based on the average amount of customers we get every day. Then we will sell the bread for a higher price in order to make a profit.

## **Mission Statement**

Loaf of Life strives to bring a world of quality breads into your hands, while making every dollar count with our helpful charity aspect. So try something new because we Loaf you!

## Industry and Market Analysis

### Industry Structure

Over the past few years, the need for fresh baked goods has been rapidly increasing, resulting in the openings of many small businesses. The *Report Linker* says, “Product innovation and healthier products and ingredients are fuelling market growth.” Many of these small businesses have opened their doors to people who want a healthy alternative to wheat products and who are allergic to gluten. This left multiple companies rushing to expand their menus to meet the customer’s expectations, creating a positive growth in consumption. Sales of these products and other bakery items have brought in a total of 417 billion dollars as of October 2014.

### Market Size

Although there are many bakeries in Long Beach, there are none at the Pike. The only direct competitors we have are restaurants in and around the Pike.

### Growth Rate

From 2009- 2014 the bakery had an annual growth rate of 2.5% and is expected to rise to 6% over the next five years. Therefore we can conclude that we will have a positive customer consumption.

## **Market Trends**

Due to a rising demand for healthy, homemade baked goods, customers are more likely to purchase from bakeries with fresh products. Loaf of Life will fulfill these needs by providing our consumers with unique breads that are made daily.

## **Market Share**

There are approximately 469,428 people living in Long Beach. We only expect 231,832 of them to purchase items from convenience stores because of infants, young kids, and seniors (65 and older). When we first open Loaf of Life will anticipate a 49% market share.

## **Target Market**

Loaf of life will sell to residents in and around the downtown Long Beach area as well as anyone who enjoys stopping by The Pike. Our target market is middle-aged and middle-class parents with kids whom enjoy eating out. Our customers, being middle class, will want to focus on more realistic and necessary items and not over spend on food and accessories. As long as the food they want is healthy and affordable, they will spend their money on it.

## Market Niche

Variables	Families	Health Nuts
Geographic	<ul style="list-style-type: none"> <li>- Like to visit the Pike</li> <li>- Like to try new bakeries</li> </ul>	<ul style="list-style-type: none"> <li>- Live in Long Beach</li> </ul>
Demographic	<ul style="list-style-type: none"> <li>- Middle aged parents w/ kids</li> <li>- Family friends</li> </ul>	<ul style="list-style-type: none"> <li>- People who want to eat healthy (as indicated)</li> </ul>
Socioeconomic	<ul style="list-style-type: none"> <li>- Middle Class families</li> </ul>	<ul style="list-style-type: none"> <li>- Middle Class healthy people</li> </ul>
Psychographic	<ul style="list-style-type: none"> <li>- Want to donate to charity while enjoying fresh bread</li> </ul>	<ul style="list-style-type: none"> <li>- Want to try a healthy alternative to well-known bakeries</li> </ul>
Behavior Patterns	<ul style="list-style-type: none"> <li>- Walk in during the afternoons and evenings</li> </ul>	<ul style="list-style-type: none"> <li>- They will order healthier bread options</li> </ul>
Consumer Dispositions	<ul style="list-style-type: none"> <li>- Want fast and excellent service</li> <li>- Want a safe environment</li> </ul>	<ul style="list-style-type: none"> <li>- They will want to make healthier choices by buying our bread</li> </ul>

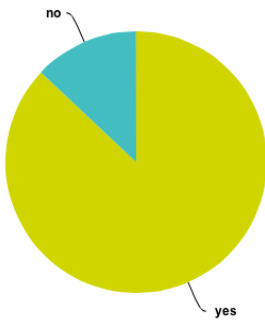
Consumption Patterns	- Will spend at least \$10 on a loaf	- They will come at least once a week to order bread
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## Survey Results

We surveyed 100 people asking them questions related to our bakery, here are the results.

Have you ever been to the Pike in Long Beach?

Answered: 100 Skipped: 0

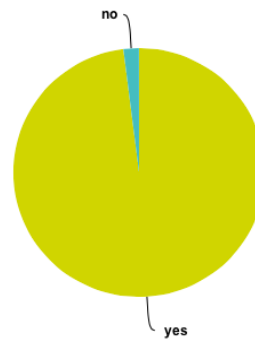


Yes: 87%

No: 13%

Do you like bread?

Answered: 100 Skipped: 0

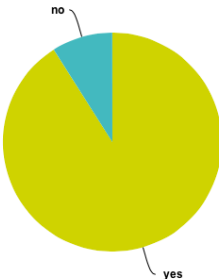


Yes: 98%

No: 2%

Are you interested in trying breads from around the world?

Answered: 100 Skipped: 0

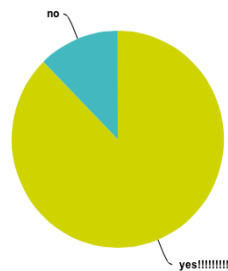


Yes: 91%

No: 9%

If there was a bakery at the Pike that specialized in bread from around the world and everything related to bread would you go?

Answered: 97 Skipped: 3



Yes: 75%

No: 24.49%

## Competitive Analysis

### Direct Competitors

Business	Product and Services	Focus	Unique features	Pricing	Weakness
Famous Dave's	Sit down and take out BBQ restaurant	Provide delicious and high quality BBQ	~Catering ~They have won over 700 awards for their food	Their meals are anywhere between \$10-\$26	~Meals can get pricy ~Not very healthy ~Not many options for vegans
Bubba Gump	Sit down seafood restaurant	Provides fresh seafood	~Special event groups ~Fresh seafood ~Provide gluten free menu ~Offers 10% off to all Military	Their meals are anywhere between \$10-\$21	~Many locations ~Sells mostly only seafood
Gladstone's	Fancy sit down restaurant	A restaurant where you are able to eat fresh and fancy seafood	~Makes special events ~Caters ~Vegetarian and gluten free menu	Their meals are anywhere between \$14-\$35	~Doesn't do breakfast ~Pricy
Sgt. Pepper's	Sit down Cafe	A fun environment where you can have a drink with your friends and listen to comedy and music	~Only cafe suggests on The Pike's website ~Live music ~Serves alcohol ~Does private parties ~Pianist are comidic	Their meals are anywhere between	~Children are not allowed inside ~Loud party environment

## SWOT ANALYSIS

### Strengths

Loaf of Life has multiple strengths, such as: using organic and healthy ingredients for our food, donating 5% of our yearly net profit to charity, and having diversity with our cultural aspect. We want to ensure we bake with organic and fresh ingredients and make healthy bread each morning. Loaf of Life will also commit to donating yearly to a charity of choice to help others live a more enjoyable life, while ensuring our customers satisfaction with the knowledge that they're helping those in need. Our cultural and world bread opens the door to anyone who wants to try something new and wants a taste of home.

### Weaknesses

Currently, Loaf of Life is only available in one location making it difficult for those who are interested in it, but are not from Long Beach. We specialize in mainly bread, therefore those looking for a regular bakery with more treats or donuts, may not be satisfied with Loaf of Life. Unlike other retail sized stores, Loaf of Life does not give the customers the ability to access a public restroom.

### Opportunities

We look forward to becoming more popular and known throughout the state; being able to help out more charities or even organize our own charity event, travel around world to learn more about cultural breads and other cultural/ world opportunities.

## Threats

Loaf of Life is challenged by other chain and nearby bakeries

Such as:

- Panera Bread
- Grounds
- Babette's Feast
- Pandor Bakery and Café
- Corner Bakery café
- Schat's Bakery
- Other Bakeries Located in Long Beach, CA



## Marketing Plan

### Purpose

Loaf of Life's marketing purpose is to spread the word of our bakery to all potential customers. We will do this through several marketing strategies. These include, advertising our name and business; promoting our bread, food, and charity aspects; and increasing our sales to insure that our business succeeds.

### Benefits

Loaf of Life will have many marketing aspects that will make it benefit and succeed. First, we will be getting the majority of our marketing for free. Instagram, Twitter, and Facebook are very popular today; so much of our marketing will be through hash tag photo contests and other promotional things we can do on social media. Second, getting a page on yelp will further help us due to its convenience and popularity. Lastly, we will use reusable bags to promote our business, which will benefit customers, the environment, and us.

### Target Market

Our bakery will be located at the Pike in Long Beach, so our target market will mainly be people in Long Beach. We will welcome people of all ages, backgrounds, gender, and ethnicities, who enjoy bread, trying new things, or eating something from their culture.

## **Niche**

Loaf of Life bakery will have a street-front location, so customers can conveniently enter. We will have a family friendly environment that will be a fast and efficient, to please our customers and help develop a good reputation. We also plan to build our bakery to be unique, modern, and spacious so there is plenty of room for customers to sit and enjoy their food. We will not only sell commonly found breads, but also breads from all over the world; giving customers a chance to explore different cultures while helping different charities.

## **Tactics**

Our marketing tactics will consist of several methods that will be used to promote, sell, and advertise our business and products. First, we will use online marketing that will include: social media, Google AdWords, a Loaf of Life website, and yelp. This will be effective due to the popularity of technology and will appeal to many customers. Next, we will have ads in the Long Beach Press Telegram to inform those who read the news, and we will use Clipper Magazine to direct mail postcards advertisements to homes in Long Beach. Lastly, we will sell reusable bags, with our logo, so customers can use the bags in daily routines, thus advertising our bakery.

## **Identity**

Loaf of Life will have a modern and neat look, while maintaining a friendly and comfortable feeling, which will be shown through our advertisements. This design will give the restaurant a casual and welcoming atmosphere. The food will introduce customers to different cultures, and the variety will guarantee the customers can always try something new.

## **Costs/Promotion, Sales, and Advertising**

Loaf of Life will promote, advertise, and sell using various strategies that will spread the word of our business, inform people about our product, and encourage them to buy it.

Type of Marketing	Reason/Purpose	Cost
Social Media Accounts -Instagram -Facebook -Twitter	Will spread the word of our business, promote our products, and increase our sales.	Free
#loafoflifebakery contest - When customers visit our business they will take a picture of their food and add the hashtag #loafoflifebakery then we will pick the best picture and award the person a prize.	-fun for customers -increase sales -promote our food -spread the word of our business	Free
Advertising on Twitter	-increase sales -advertise our bakery -promote our food	\$120 when we spend \$4 per day for one month. Plus a \$2 dollar bid per website click
Loaf of Life Reusable Bags	-protects environment -helps customers -spreads the word of our business	\$1-2 per bag for 1,000 bags

Website	<ul style="list-style-type: none"> <li>-increase sales</li> <li>-inform/attract customers</li> <li>-promote our food</li> <li>-advertise our bakery</li> </ul>	<p style="text-align: right;"><b>Loaf Of Life</b> <sup>21</sup></p> <p>Domain Name: \$10-\$15 per year</p> <p>Web Host: \$3-\$7 per month</p>
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<p>Long Beach Press Telegram</p> <p>-52 week ad every Sunday</p>	<ul style="list-style-type: none"> <li>-increase sales</li> <li>-advertise our bakery</li> <li>-inform/attract customers</li> </ul>	\$430.50
<p>Clipper Magazine Ad</p>	<ul style="list-style-type: none"> <li>-increase sales</li> <li>-inform/attract customers</li> <li>-advertise our bakery</li> <li>-promote our food</li> </ul>	\$2,000
<p>Google AdWords</p>	<ul style="list-style-type: none"> <li>-increase sales</li> <li>-inform/attract customers</li> <li>-advertise bakery</li> <li>-promote our food</li> </ul>	\$1,500 when we spend \$50 per day for one month
<p>Yelp</p>	<ul style="list-style-type: none"> <li>-convenient and widely used</li> <li>-increase sales</li> <li>-inform customers</li> <li>-promote our bread</li> </ul>	Free

## **Pricing Strategy**

Loaf of Life's pricing strategy will be similar to the prices of other bakeries that sell similar products. Most loafs of bread will be \$10 but some products such as croissants, bagels, muffins, coffee cake, éclairs, macrons, and sandwiches will be between \$1 to \$5. Furthermore, we will be donating 5% of our yearly net profit to a different charity each year. Our marketing pricing strategy is based on online research and calls to different bakeries and cafes in Long Beach, so the costs we have listed in the chart above is the average prices we got after combining several different sources.

## Operations Plan

### Operations Procedure

Loaf of Life is located at the Pike in downtown Long Beach, California, a local hangout spot for the diverse residents of Long Beach and a popular city attraction. After purchasing equipment for the production of our baked goods we will look to hire hardworking and committed employees to carry out the Loaf of Life promise. Our staff will consist of 6 total employees working 7 1/2 hour shifts: two counter servers, three co bakers, and a bakery manager.

Before assuming the position, counter servers will be trained on the job in food handling and safety training. Counter servers are responsible for interacting with the customers and providing them with quick and efficient service. They greet customers, take orders at the post, prepare product displays, answer customer questions, refill products/stock, and handle payment from guests while working the cash register. They help to maintain the appearance of the bakery and to care for the venue. For this position, we look for friendly, enthusiastic, and positive employees knowledgeable about our business and committed to the promises we keep. The salary for our counter servers is \$9/hour.

Behind the scenes, we have three experienced bakers that specialize in preparing sandwiches, baking breads, croissants, muffins, and other pastries. Because baking bread takes time, working hours for bakers start at 5:00 AM, two hours before the business operating hours to ensure enough time to bake fresh breads and other delectables. During the day, bakers are responsible for preparing

food, following orders with accuracy, checking ingredients for quality and availability, proper usage of baking equipment and machines, and adhering to the food and public safety guidelines. Two bakers will be at the post at all times, rotating the seven-hour shifts each day. Business operating hours ends at 7:00 PM, but bakers will stay an hour later until 8:00 PM to clean up and prepare the dough for the next day. For this position, we look for experienced, cooperative, and creative employees that are full of energy and can withstand the working hours. The salary for our bakers is \$13/hour.

Overseeing the operations of Loaf of Life will be the bakery manager. He/she will be responsible for a wide range of tasks: supervising the function of the bakery and employees, meeting the public safety regulations, re-ordering inventory, keeping track of deliveries, calculating how much is necessary, tracking sales, managing the bakery budget, and experienced with preparing baked goods. They are in charge of daily operations and the satisfaction of the customers. For this position, we anticipate an experienced employee with leadership, communication, and multitasking skills. The salary for the manager is \$16/ hour.



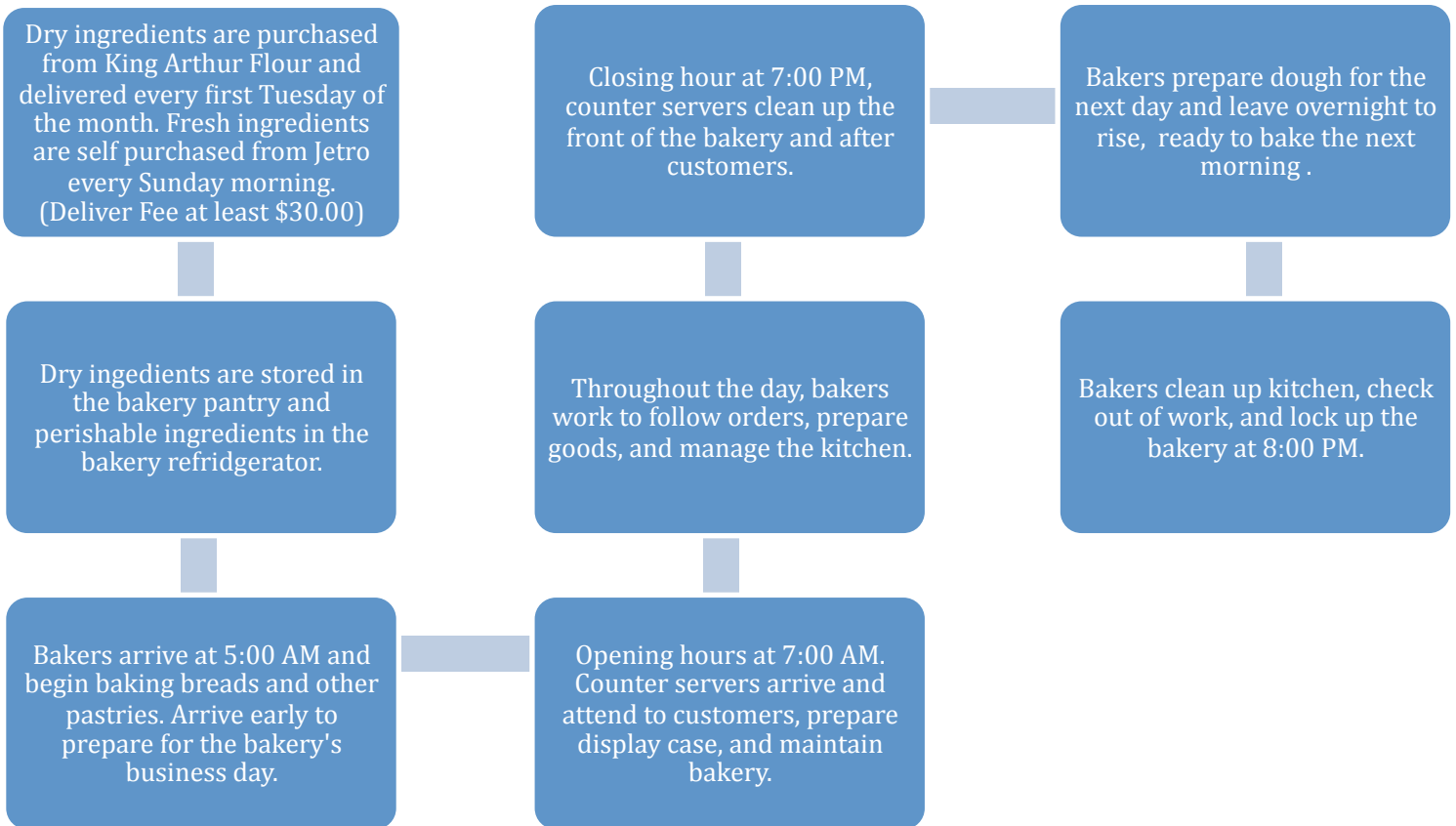
## Loaf of Life Menu

Item	Marked Price	Origin
French Bread	\$10.00	France
Baguette	\$10.00	France
Croissant	\$3.00	Austria
Garlic Cheese Bread	\$10.00	America
Pretzel Bread	\$10.00	Germany
Challah Bread	\$10.00	Islam
Original Bagel	\$4.00	Islam
Naan	\$10.00	India
Pita Bread	\$10.00	Arabia
Cheese Bread	\$10.00	Brazil
Pan de Muertos (Bread of the Dead)	\$10.00	Mexico

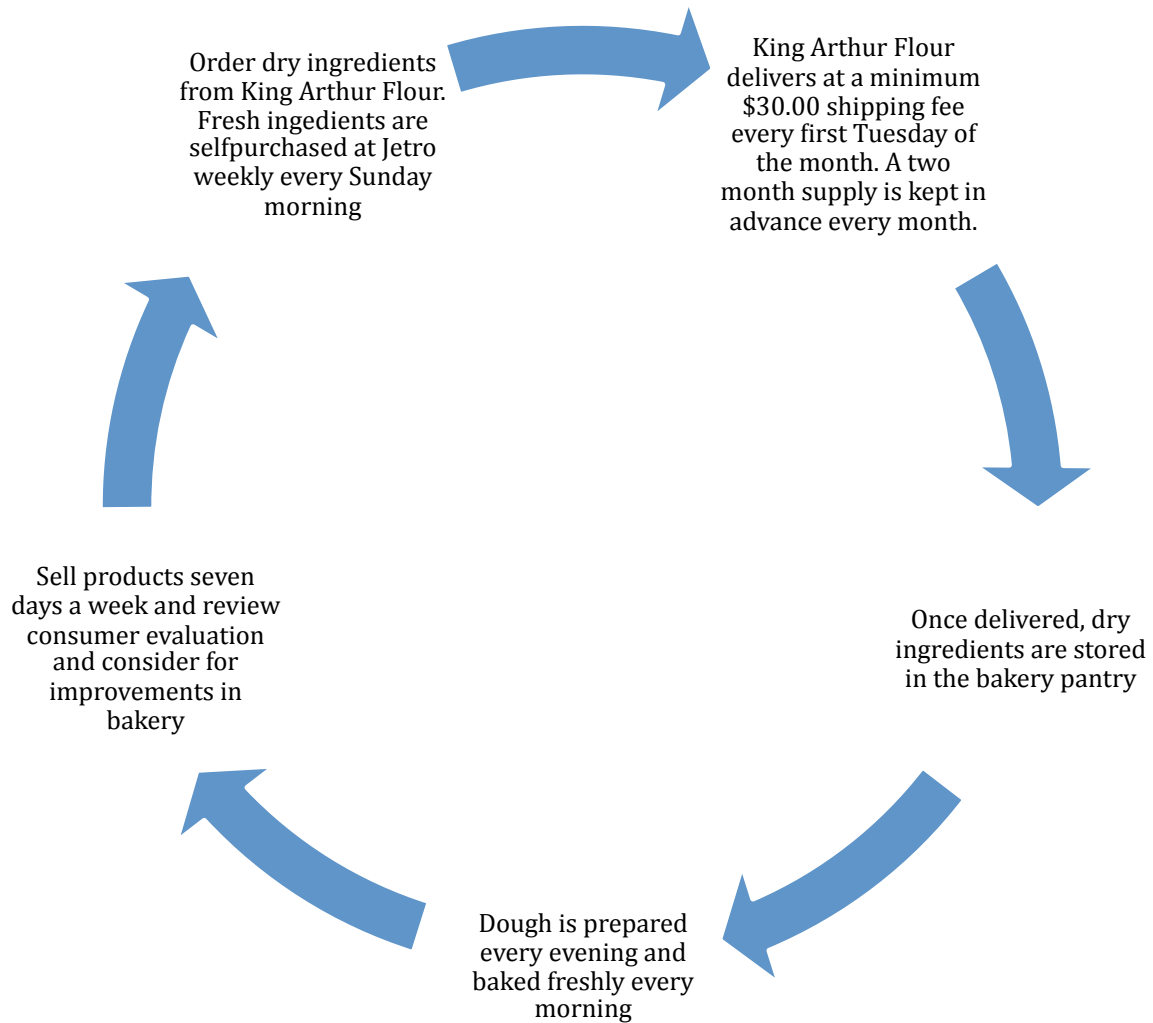
Item	Price
Banana Bread	\$10.00
Blueberry Muffins	\$3.00
Cinnamon Bread	\$10.00
Pumpkin Bread	\$10.00
Coffee Cake	\$4.00
Sourdough Bread	\$10.00
White Bread	\$10.00
Rye Bread	\$10.00
Wheat Bread	\$10.00
Honey Bread	\$10.00
Italian Hers and Cheeses	\$10.00
Eclairs	\$1.50
Macaroons	\$1.25

Sandwich	Marked Price
Turkey, Lettuce, and Tomato Sandwich	\$5.00
Ham, Lettuce, Tomato, and Cheese Sandwich	\$5.00
Roast Beef, Lettuce, Tomato, and Cheese Sandwich	\$5.00
Tomato Mozzarella Sandwich	\$5.00

## Distribution Channel



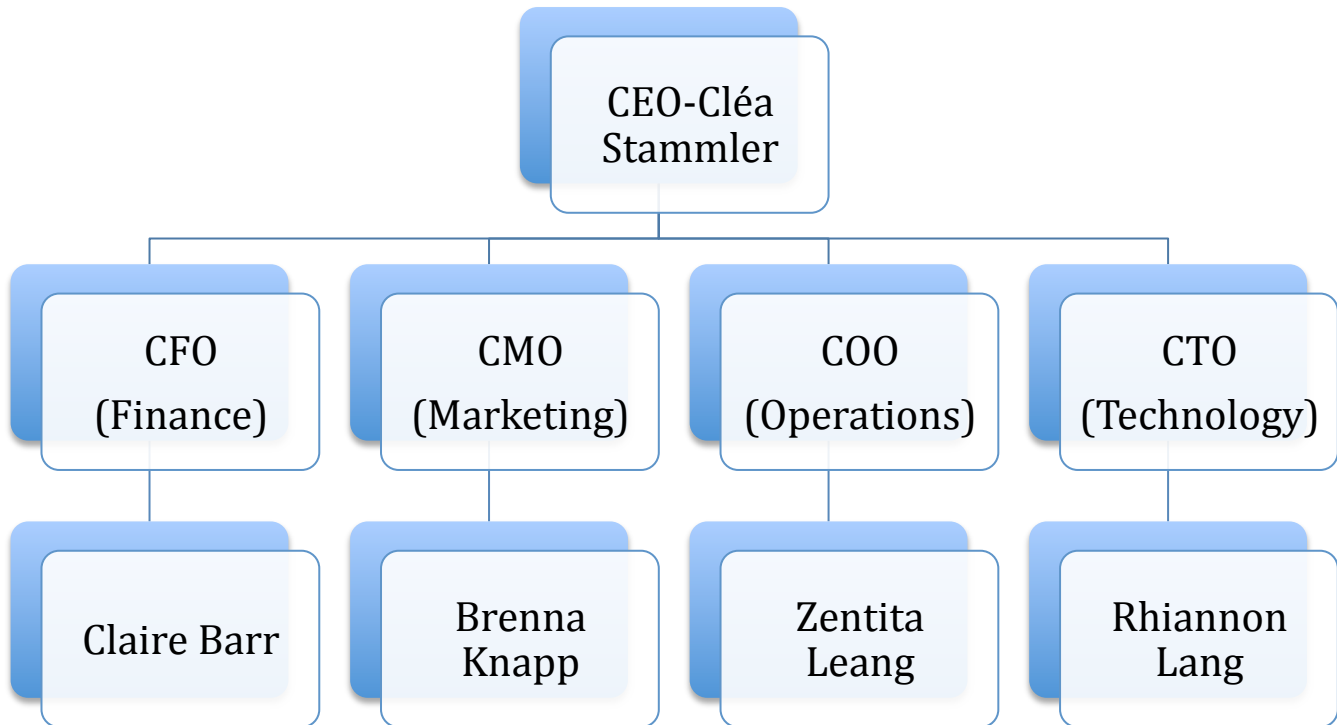
## Production and Distribution



## Legal Requirements

<b>Legal Requirements</b>	<b>Description</b>	<b>Company Action</b>
Business License	Required for all entities doing business within city limits.	Expense of \$341.00
Sales and Use Permit	All businesses selling or leasing tangible property must obtain a Seller's Permit.	Apply for permit through online registration for Board of Equalization (BOE)
Trademark Business Name: Loaf of Life	A trademark includes any word, name, symbol, or device used to identify and distinguish the goods/services of a provider, and to indicate the source of the goods/services.	Apply for Registration with the United States Patent and Trademark Office Expense of \$275.00
Environmental / Public Health Permit	Required of restaurants and businesses manufacturing food, ice or soft drinks	Submit Permit Application, Total of \$245.00 (Application Fee: \$75.00 Permit Fee: \$170.00)
Zoning Approval	Permitted uses, development regulations, design, review, sign permit, parking regulations.	Apply with Application for Approval
Food and Health Inspection	Food Facility Inspection Program evaluates bakery for public safety	Meet requirements of Long Beach Food and Health Regulations and apply for Inspection
Total Expense		Expense and Fees of \$831.00

## Management Team



### Clea Stammler: CEO-

Clea is a part of Polytechnic's top academy, PACE, currently receiving straight A's. Her ability to work well with others and have a professional conversation with her peers, teachers, and adults, prepares her for this task. Having been born in France, her knowledge of breads and different cultures is effective and useful for this business. Thus making her suitable for her position as CEO.

Brenna Knap: CMO-

Brenna is a hardworking student in the PACE program, with skills perfect for our marketing aspect. She is very dedicated to her work and completes it to her fullest capability. As an outstanding and dedicated swimmer she is kept very busy, staying fully aware of what the community looks for in society. Her responsibility proves her excellence for this roll in marketing.

Zenita Leang: COO-

Zenita is a 4.0 PACE student who is ambitious and prepared to take on whatever comes before her. She motivates herself to do her best, spending most her days dedicated to school. Her extreme work ethic proves her capability of taking care of our bakery's operations plan.

Rhiannon Lang: CTO-

Rhiannon is an enjoyable student in PACE, making everyday an exciting and happy one for those around her. She knows how to get work done effectively and makes everyone laugh with her charismatic energy. Her future plans of being a computer programmer makes her destined for this opportunity as our chief of technology.

Claire Barr: CFO-

Claire is a friendly and cooperative student in Poly's top program as well. She is open to new ideas and completes all her work honorably. Unlike most ninth graders, Claire is in a higher level of math, intermediate algebra/ Trig, qualifying her to be an exceptional CFO, chief of finances.

Loaf of Life is a sole Proprietorship. We plan on expanding our business to include popular and delicious drinks. Maybe even including a soda fountain and unique juices/ sodas from around the globe. We hope to provide more sandwich opportunities and if everything goes as planned, we will want to expand our lot to be able to seat more of our welcoming customers.