

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis

Business Plan for a Chosen Business

Author: Natalya Kolcheva

Supervisor: Ing. Tomáš Maier, Ph.D.

© 2017 CULS Prague

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Natalya Kolcheva

Business Administration

Thesis title

Business Plan for a Chosen Business

Objectives of thesis

The main aim of this Bachelor Thesis is to create a business plan to open bakery with wholesome and healthy food at a competitive price to meet the demand of middle to high income customers.

Methodology

- PEST analyses
- SWOT analyses
- financial analyses
- basic statistical methods

The proposed extent of the thesis

40 – 60 pages

Keywords

business plan, bakery, entrepreneur, bakery products, entrepreneurship

Recommended information sources

- Brenna Pearce: «FabJob guide to become a bakery owner». [Calgary] : FabJob, ©2010. ISBN: 978-1897286685
- Edward Blackwell: «How to Prepare a Business Plan». Kogan Page; 5 edition, 2011. ISBN: 978-074946253
- Chris Gattis: «Business Plan Template: How to Write a Business Plan». CreateSpace Independent Publishing Platform, 2011. ISBN: 978-1466424227
- Rhonda Abrams: «Successful Business Plan: Secrets & Strategies». Planning Shop; 5th ed. edition, 2010. ISBN: 978-1933895147
- Sharon L Fullen : «How to Open a Financially Successful Bakery». Atlantic Publishing Group Inc.; unknown edition, 2004. ISBN: 978-0910627337
-

Expected date of thesis defence

2016/17 SS – FEM

The Bachelor Thesis Supervisor

Ing. Tomáš Maier, Ph.D.

Supervising department

Department of Economics

Electronic approval: 5. 1. 2017

prof. Ing. Miroslav Svatoš, CSc.

Head of department

Electronic approval: 26. 1. 2017

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 07. 03. 2017

Declaration

I declare that I have worked on my bachelor thesis titled " Business Plan for a Chosen Business " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on

Natalya Kolcheva

Acknowledgement

I would like to express my sincere appreciation and thanks to my thesis supervisor – Ing. Tomáš Maier, Ph.D. that helped me with my bachelor work.

I would like to thank my family who supported me during my work on this thesis.

I would like to express my sincere appreciation to all present as guests and listeners for your attention.

Podnikatelský plán pro vybranou oblast podnikání

Business Plan for a Chosen Business

Souhrn

Diplomová práce je zaměřena na podnikatelský záměr otevřít pekárnu ve městě Karaganda, v Kazachstánu. Hlavním cílem této práce je zjistit, zda podnikatelský záměr je možné uskutečnit; co je třeba realizaci projektu a zda je projekt životaschopný.

První část práce je zaměřená na teorii, co je obecně podnikatelský záměr, jeho obsah a k čemu je ho potřeba.

Druhá a také hlavní část práce je praktická část, která obsahuje analýzu trhu, konkurence na trhu, SWOT analýza, PEST analýza, průzkum trhu, výroba a organizační plán, finanční plán, kde byly vypočteny výnosy, náklady a zisk.

Summary

Bachelor thesis is focused on a business plan to open a bakery in the city of Karaganda, Kazakhstan. The main purpose of this study is to determine whether a business idea is feasible; what is necessary for the implementation of the project and whether the project is viable.

The first part of the thesis focused on the theory: what is a business plan, its content and for what it needed.

The second and main part of the thesis is the practical part, which was included market analysis, characteristics of competitors, SWOT analysis, PEST analysis, marketing research, production and organizational plan, financial plan, which have been calculated revenues, expenses, and profitability of the project.

Klíčová slova: Podnikatelský plán, pekárna, podnikatel, pekařské výrobky, podnikání, SWOT, PEST analýza, finanční plán.

Key words: Business plan, bakery, entrepreneur, bakery products, entrepreneurship, SWOT analysis, PEST analysis, financial plan.

Contents

1. Introduction	8
2. Objectives and Methodology	9
2.1. Objectives.....	9
2.2. Methodology.....	9
3. Theoretical framework	12
3.1. What is business plan.....	12
3.1.1. Content of business plan.....	13
3.2. Business planning.....	15
3.2.1. The main methods of business planning.....	17
3.3. Risks.....	17
3.3.1. Types of risks.....	17
3.4. The difference between business and entrepreneurship.....	18
3.4.1. Entrepreneur.....	20
3.4.2. Businessman.....	20
4. The practical part	22
4.1. Summary.....	22
4.1.1. The reasons that influenced the opening of the bakery.....	22
4.2. Product description.....	23
4.2.1. What we sell.....	23
4.2.2. Product life cycle.....	24
4.2.3. Menu.....	24
4.2.4. Differences from competitors.....	26
4.3. Goal and Strategy.....	27
4.3.1. Goal.....	27
4.3.2. Strategy.....	28
5. Market analysis	29
5.1. Characteristics of the industry.....	29
5.1.1. About the Retail Baking Industry.....	30
5.1.2. Catering market: forecasts and trends.....	30
5.2. Market characteristics.....	30
5.2.1. Characteristics of the region.....	31

5.3. Characteristics of consumer products.....	32
5.4. Characteristics of competitors.....	32
5.5. Marketing research.....	34
6. PEST analysis.....	39
7. SWOT analysis.....	40
8. The organizational plan.....	41
9. The production plan.....	44
9.1. Location.....	44
9.2. Equipment.....	44
9.3. Raw materials.....	48
9.4. Costs of production.....	48
9.5. Depreciation of equipment.....	49
10. The financial plan.....	51
11. Risk assessment.....	56
12. Conclusion.....	57
13. Bibliography.....	59
14. Appendix.....	62

1. Introduction

This bachelor thesis contains a business plan to open a bakery from scratch and implementing it in practice. This plan is also a guide for the evaluation of business - idea, and also is an assessment of personal preparedness - to become an entrepreneur. Including the plan is needed to shows that the business idea is feasible and to obtain financial resources. This business plan shows that there is a realistic opportunity for a profitable bakery business in Karaganda, Kazakhstan.

Baking industry is the mature and strong industry. Bakery products occupy a leading position in the nutrition of the population of any country. Expanding the range of new competitive products in the current conditions is an important national economic task. The most effective it can be solved through the use of modern technologies that are recommended for use in the food industry, allowing to obtain high-quality products at low cost to manufacture it.

Proper organization of the production of bakery products and the economical use of resources in the bakery is the priorities of the industry, the solution of which depends on the quality of products and reducing its cost and, consequently, profit growth bakeries, their competitiveness, the possibility of introducing in the production of a new advanced equipment and the ability to enter new consumer markets.

Thus, as the bakery products are in constant demand and widespread in the population, the bakeries are favorable conditions for the increase of production volumes. However, only the right to organize the production of bakery products, the company can obtain the positive result. The theoretical part of this thesis is focused primarily on how to understand what the business plan is, for what need it, and the main and practical part is aimed at creating a business plan to open a bakery, which includes the company description, products description, market characteristic, organization and production plan, financial plan.

2. Objectives and Methodology

2.1. Objectives

The main aim of this bachelor thesis is to create a business plan to open bakery "Happiness" in Karaganda city with wholesome and healthy food at a competitive price to meet the demand of middle to high. Potential buyers of the bakery will be children, men and women of any age, financial status and any kind of employment. The business plan includes the analysis of the market, characteristics of competitors, organizational and production plan, financial plan and risk assessment.

This topic will be interesting for beginners or existing business, which will help achieve the following objectives:

- Identify the specific areas of activity;
- Define indicators of goods and services to be offered by the company;
- To evaluate the production and trade costs;
- To assess the financial position of the company;
- To determine the composition of the company's marketing activities for market research, advertising, sales promotion, pricing, distribution channels, etc.;
- Provide challenges.

2.2. Methodology

The bachelor thesis is using methods such as PEST analysis, SWOT analysis, basic statistical methods and financial analysis. Using these methods were achieved the objective and purpose of this thesis.

1. PEST analysis

PEST analysis is a simple and convenient method for the analysis of the company environment. Methods of PEST analysis is often used to evaluate the key market trends in the industry. Results of PEST analysis are used to determine the list of threats.

PEST analysis is an acronym for the following indicators of the industry: political (P), economic (E), socio (S) and technological (T):

- Political — factors of a political and legal environment of the company. In the analysis of political - legal environment of the industry, market or country need to determine what opportunities and threats for businesses create the dynamics of the political situation; what are the main trends that may affect the company's operations and to determine whether the impact of legislative changes on the basis of activities.

- Economic — factors of economic market conditions. During this analysis, it is necessary to determine the parameters that characterize the state of the economy, the market in which the company operates: the dynamics of the economy - the recession, growth; changes in the exchange rate, unemployment rate, inflation rate; trends in the banking sector.
- Socio — social and cultural factors of market conditions. During the analysis necessary to determine the characteristics of the social, demographic, cultural properties, which should be considered in the work.
- Technological — factors that characterize the technological advances in the industry. In the analysis necessary to determine the extent to which the business depends on the innovations and changes in the technology used in the market; determine the impact of the Internet and mobile technologies in the development of the market.

2. SWOT analysis

SWOT analysis is analysis allows to determine the causes of the company's efficiency or inefficiency in the market, it is a concise analysis of marketing information based on which concludes that the direction in which the organization must develop their business and ultimately determined by the distribution of resources to the segments.

Explanation of SWOT: S = Strengths, strengths of the company; W = Weaknesses, weaknesses of the company; O = Opportunities, capabilities of the company; T = Threats, threats to the company.

3. Basic statistical methods

Basic statistical methods are used for the description and analysis of the data on the demographics and other phenomena and processes of the social life in the country. The statistical method is using for the marketing research. The marketing research was conducted in a social network Vkontakte, in the group, which is called Ekaraganda,kz. There was placed a questionnaire, which was attended by 1543 person.

4. Financial analysis

Financial analysis is the process of investigation of the financial condition and the main results of the financial activities of the company in order to make the stakeholders management, investment, and other decisions; “to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet, and cash flow statement.”¹

In financial analysis, there are calculations of net present value, it used to analyze the profitability of a projected investment or project;

$$NPV = I_0 + \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \dots + \frac{CF_n}{(1+r)^n} \quad (1)$$

payback period is used to analyze the length of time required to recover the cost of an investment;

$$PB = \frac{\text{Initial investment}}{\text{Cash Inflow per period}} \quad (2)$$

break-even point is used to analyze how many units need to sell before make a profit

$$Q = \frac{FC}{(P-VC)} \quad (3)$$

Financial analysis is used to calculate projected revenues and expenses for 2018 and 2019 years. The initial investment of the project is 46 927 EUR. Total revenue of the project in 2017 is 174 484 EUR, net profit in 2017 year is 47 818 EUR, payback period of the project is 1.02 years, it means that payback period of the project will take more than a year. Profitability of the project is 3.6, it means that for every euro invested receive 3.6 euros back. Should take up the project and invest in it.

¹ Investopedia. Financial analysis. [online]. [cit.2016-09-17]. Available from: <http://www.investopedia.com/terms/f/financial-analysis.asp>

3. Theoretical framework

3.1. What is business plan

“Successful Business Plan is thorough, well-organized, and a very useful tool for business planning and development. It’s an excellent guide to the details involved with creating a solid, useful business plan.”²

In today's time, the business plan is an important condition for the beginning of the business organization and its functioning. This is an important business document businessman. No enterprise is able to clearly formulated goals or provide financing without an elaborate and well presented the business plan.

Ideally, every company must have developed a set of goals and objectives, consider the strategy of transformation objectives into action.

The researched and coordinated plan is the means by which can control, produce and manage the business. Of course, business plans do not give a complete guarantee of success, but it allows us to prepare for various eventualities.

A business plan is a document that describes all major aspects of the future of the enterprise, it shows how its leaders are going to reach their goals, analyze all the problems that will be faced, identify ways to address these problems.

“A crucial factor for a successful business is the development of a clear strategic position that differentiates you from your competition—and then maintaining focus on that position. All too often businesses fail because management loses sight of the central character of the enterprise. Defining a clear strategic position enables you to capture a particular place in the market and distinguish yourself from your competitors. Different companies may sell a similar product, but each may have a very different sense of what its business is really all about.”³

The second important aspect of a successful business is the development of own a company style. Having own style, it makes a difference from competitors.

² Jim Jindrick, The Institute of Electrical and Electronics Engineers and the University of Arizona.

³ Rhonda Abrams: «Successful Business Plan: Secrets & Strategies». Planning Shop; 5th ed. edition, 2010., p.7.

“Creating a business plan helps you:

- Think through your entire business;
- Better understand your true financial needs;
- Secure funding;
- Attract key management;
- Develop marketing messages and materials;
- Identify key strategic partners and customers.”⁴

Who needs a business plan:

Business plan is creating for owners, lenders, and managers.

Writing a business plan is necessary for owners to assess the possibilities, the establishment and monitoring of the goals and objectives and determining the need for money.

The lender needs a plan in order to understand and assess the liquidity risk, as well as evaluating the quality of governance. Liquidity - that's how fast the business can make a profit.

Managers need to understand the business plan ideas, team building, for practical analysis and help to get money.

The main objectives for all three are to evaluate the possibilities, the establishment, and implementation of goals and objectives, the need for money.

3.1.1. Content of business plan

In order to successfully and competently start writing a business plan, it is necessary to adhere to competently-delivered content. With the right content, cannot admit mistakes, do not forget about the important points.

"The business plan is a complex structure." The contents of a business plan may depend on the type of business, "but accepted the structure of the business plan should broadly reflect the project or the process by which investors give money."⁵

The business plan must be written in accessible and business language.

⁴ Rhonda Abrams: «Successful Business Plan: Secrets & Strategies”. Planning Shop; 5th ed. edition, 2010., p.13.

⁵ I.I.Ushakov: «Business Plan”, 2009, p.40.

The content of business plan:

1. Executive Summary. Every business plan should begin with a summary because from summary investors are beginning to consider a business plan, because it contains all the basic information about the project.

Summary - this is a separate document, which contains all the basic information about the business plan. This is the only and decisive part, which is read most of the potential investors. And if after reading the business plan will be put aside, this means that the plan is not interested and is not convincing to investors.

Content summary mainly contains a brief story about the business idea, its description, and what makes it different from other business ideas. Usually, summary writing at the end of the business plan because the summary repeats in abbreviated form the conclusions of each section.

2. Company profile. This section contains information about company, what company will do, the goals of the business and how company differ from competitors.

3. Description of production. This section of the business plan contains a description of the goods and services offered by the company, possibilities of their use, their attractive sides.

In the process of writing this section, it is necessary to answer some questions:

- 1) "A brief description of the product or idea;
- 2) How it works;
- 3) Why it is better than its rivals;"⁶
- 4) What is the product life cycle, as soon as it is out of date.

It is important to emphasize the uniqueness of the product to interest potential investors.

4. Market analysis: market characteristics, consumer products, competition.

Characteristics of the market - in this section must specify the current information about the situation on the market, on which work will take place, indicate the main trends that are present in the industry, and how development will occur quickly.

⁶ Edward Blackwell: "How to Prepare a Business Plan". Kogan Page; 5 edition, 2011, p.10.

A study of consumers of products offered - in this section needs to specify for which market the product is, that mean a study of the target audience of customers - age, gender, marital status, income level, place of residence, nature of work, and many other factors.

The analysis of competitors - in this section need to specify what the difference from competitors is, and why this product will be in demand, why the consumer will choose this product, but not competitors' product.

5. Marketing Plan: a strategy for the promotion of products on the market - pricing, advertising, sales system, after-sales service, sales volumes.

The advantage of a marketing plan - is that using it is possible to estimate the potential economic risks.

Thanks to the marketing plan, can efficiently distribute current investment while avoiding unnecessary spending of money.

6. Production plan. It includes information such as:

- The need for squares;
- The need for equipment;
- Direct costs.

The main objective of this section is to prove future partners that the business will be able to produce the right amount of goods at the right time and the right quality.

7. The organizational plan: the main participants in the enterprise (entrepreneur, his partners, investors, board members, employees holding key positions, etc.).

8. Financial Plan: The key to any successful business is the proper handling of money. If an entrepreneur misused money, it will create problems for his business, and more than that may lead to the collapse of business. Therefore, in every business plan should include schedules, records of expenses. Understanding the financial aspects of the company and financial control simplify decision-making.

3.2. Business planning

Business planning - is one of the most important tools for the management of the enterprise, which determines in advance and predicts its effectiveness in the future.

Business planning – is drawing up of a plan, the content of future actions.

The main stages of business planning:

1. Preparation - at this stage going preparation for the registration of documents, collecting the necessary information, which is necessary for drawing up the plan;

2. Setting objectives (external and internal) - when creating a business plan, it is important to understand what goals are pursued;
3. Decision making on the future structure of the business plan - this phase involves a that it will consist of the following sections - introduction, description of the company and its products (goods and services), market analysis, competitor analysis, marketing plan, organizational plan, financial plan and production plan;
4. Gathers all the information for writing each section in business plan;
5. Held directly to develop a business plan;
6. Consideration of the plan and a decision.

Objectives of business planning can be internal and external.

External objectives:

- Getting a loan;
- Obtaining of public funding;
- The attraction of investors.

Internal objectives:

- Justification of investment projects;
- Current planning.

The main goals of the business plan are:

1. Determine the activity of the company;
2. Develop goals, strategies, and tactics to achieve them;
3. Choose people who will be responsible for the implementation of the strategy;
4. Identify the parameters of production costs in their development and implementation;
5. Assess the financial position of the company;
6. Determine the composition of the company's marketing activities for market research, advertising, sales promotion.

3.2.1. The main methods of business planning

1. The balance method of planning means that plans are in the form of a table, where on the one hand, take into account the resources and the other - related requirements. With this method can check the correctness of calculations.

The balance method is used at all levels of planning.

2. Experimental statistical method - this method is aimed at the results achieved in the past, which is determined by extrapolation of the plan desired figure.

3. Normative method (the method of technical and economic calculations) - a method based on the use of standard costs and standards of materialized and living labor for finding variables.

4. Economic-mathematical method - this method allows to lower the time and cost to calculate the individual technical and economic indicators and a system of targets in different ways. Economic-mathematical modeling is often used for planning in agriculture.

3.3. Risks

Even the most well-written plan does not give a complete guarantee of success.

To implement the plan into reality, it is necessary to disassemble all the possible risks that may arise in the implementation of the project now or in the future.

If the business plan will include competent and accurate risk analysis, at the stage of negotiations with the investor it will show that the project proponent has the knowledge required in this business, and it also has a positive impact on further negotiations.

Today, the economy is unstable in many countries, most of them have the crisis that is leading to the collapse of many businesses.

If do not consider the risks for any project or already existing business. It will result in the loss of resources, reduced profits, there will be unplanned expenses.

Before creating some business, the task of any future entrepreneur is to consider risks to know in advance that what can be expected, otherwise, it will lead to loss of business.

3.3.1. Types of risks

- Social risks - risks associated with price increases, expenses increases, inflation and the difficulty of hiring labor.
- Political risks - associated with the change of power, with the military actions, civil unrest, and changes in legislation. This type of risk affects all segments of the population, especially entrepreneurs. Political risk cannot be avoided.

- Production risks - occur when improperly allocate resources, time and strength, also the risks associated with the delay of production, with the depreciation of equipment and with increase tax payments.
- Commercial risks - this type of risk requires the allocation of additional funds. The risk associated with the introduction of products on the market, with the transport of goods, solvency of customers and unavoidable circumstances.
- Climatic risk - the effect on seasonal business. Climate risk cannot be avoided. Example: clothing store is preparing for the winter, but they may lose income if the winter will come later.
- Industry risk - the risk is associated with a change in the economic state of the industry and the extent of these changes within the industry, and in comparison with other industries.
- Natural risks - risks are clean, with external (independent of the company) reasons and inherent in any kind of activity - the risks associated with the manifestation of the elemental forces of nature. It is impossible to avoid.

3.4. The difference between business and entrepreneurship

In today's days, many people open their own business and even successfully develop it, but many of them have no idea what business and entrepreneurship are, and the difference between them.

For many, the word "business" and "entrepreneurship" are synonymous. However, if consider these concepts from the economic side, it is necessary to separate them.

“Business - is the relationship between market participants about their joint activities.”⁷ Any activity aimed at the development of their own business, to maximize profits or other personal benefits.

Entrepreneurship - is an independent activity of any person or group of people, which is directly related to the risk, it aims to generate income in the future.

⁷ Grandars web-site. Business as an economic category. [online]. [cit.2016-09-17]. Available from: <http://www.grandars.ru/college/biznes/biznes.html>

Business and entrepreneurship: the main differences.

“Entrepreneurship as a business can be divided into three levels according to the "scale" of goods and services. Consequently, the business may be small, medium or large.”⁸ By entrepreneurship is also true separation. However, still there are differences between business and entrepreneurship:

1. Big business can be one of the foundations of a modern economy, while mid-level entrepreneurial business can be an important indicator of its development and the state.
2. Entrepreneurship – is an activity which implies own business, running at the expense of the owner. Thus entrepreneurship can be called business basis.
3. Looking at entrepreneurship in the economic aspect, it may be noted that in most of these activities is an innovation. While business may be 100% copied from another project (for example - shops on every corner, which sells the same products, but at different prices).
4. The difference between business and entrepreneurship is that the latter is more dependent on the state policy and the state of the national economy as a whole.

As previously mentioned, entrepreneurship and business - are both divided into three levels according to the scale:

- individual or private business - small business;
- partnership - medium business;
- corporations (joint stock company) - big business.

Individual or private enterprise is called a business owned by one person. The owner of the business at the same time performs the functions of management. This is the most common form of business, which is characteristic for small shops, service businesses, farms, professional activities of lawyers, doctors and so on.

A partnership called business, which is owned by two or more people. Advantages of this business are that having more owners it easy to organize, the union partners can raise additional funds and new ideas.

⁸ Biznesov web-site. What is a business and entrepreneurship. [online]. [cit.2016-09-17]. Available from: <http://biznesov.ru/zametki-o-biznese/chto-takoe-biznes-i-predprinimatelstvo.html>

Among of the disadvantages are:

- limited financial resources;
- ambiguous understanding of the objectives of partnership activities of its participants;
- the complexity of determining the share of each participant in the income or loss of the partnership, in the section along the acquired property.

The corporation is a set of individuals, united for joint business as a single entity. The right to ownership of the corporation is divided into parts on the shares. Therefore, corporate owners are called shareholders and the corporation - a joint stock company. Corporate owners have limited liability for the debts of the corporation, determine their contribution to the action.

3.4.1. Entrepreneur

An entrepreneur is an individual or legal person who founds a new organization or implements a new idea, product or service in the organization, whose purpose is to obtain income. This suggests that the entrepreneur is always a risk. An entrepreneur can be a person who is registered as an individual or legal person.

Typically, the entrepreneur organizes his own new activities in the area which he is interested. Entrepreneur - it's an innovator.

These are people who come up with something new - they are the inventors who are committed to their work. However, loyalty to their business can make it difficult to react in time to changing market needs.

Entrepreneur - it's not just the person who owns their own business, but he is also its main employee. His method of doing business - it is not to lead his business, and contrariwise - to work directly on his own.

The result of the activities of an entrepreneur is that his case rests only on his own efforts, which of course there is a limit. His prospects for the development of not very large, if it will remain, and the owner, and the main or even the only employee of the business.

3.4.2. Businessman

A businessman is an individual person who is engaged in a commercial activity in which to invest their own and borrowed funds for profit. Businessman, as an entrepreneur, too, is taking a risk, but he was not at risk of their activities, he is at risk of the loss of equity. To get an official status, the person needs to officially register.

Businessman - this is the person who owns capital which is constantly in circulation and revenue. This is the man who bought the already established business or privatized idea of the entrepreneur.

Personal goal businessman can be his major acquisition, and business purpose - is to obtain and maximize profits. When he selects a field of activity, a businessman based on that what will be the demand for and profitability.

If his desires are not justifying in one case, he can safely start from scratch another. Also, the businessman does not come up with new ideas, as does an entrepreneur, and he copies the existing ideas or acquiring a ready-made operating business.

4. The practical part

4.1. Summary

The business plan is focused on to open a bakery "Happiness" in Karaganda.

The Bakery "Happiness" will be open for the purpose of to sell baked goods at retail. This is a modern bakery, which will be opened in Karaganda, specializing in the production of delicious cakes of any complexity, pastries, homemade pies and bread, using shock frosts.

Delicious treats are made pastry chefs and bakers under control technologist catering with 13 years of experience.

Only high-quality and fresh products will be used in the bakery "Happiness".

Also, bakery "Happiness" will bake cakes on order of any complexity for any event.

The author of the thesis is registered in the tax office as an individual entrepreneur and on the basis of this can open a mini-bakery. This form of business has been selected because in the Republic of Kazakhstan the individual entrepreneurs submit tax reports on a simplified form.

4.1.1. The reasons that influenced the opening of the bakery

The first reason is high demand for the products. Large bakery plants and pastry shops are difficult to reconstruction, and this limits a purchase of new equipment and the ability to manufacture a new product, as for modern bakery - bakery easily reconstruction that provides a great business opportunity.

Moreover, large bakery plants and pastry shop have high rent for space, which leads to the closure of many of them, as it becomes unprofitable.

The second reason is the staff. In Karaganda there are enough people to form a technology of food production, but not enough jobs. Therefore, it will not be difficulties to hire the necessary staff.

The third reason is the training of personnel. Training will take a few days, it is important for the business. Furthermore, installation equipment is also carried out in a short period of time (up to one month, depending on suppliers). In addition, the company, which provides equipment, produces not only the installation, but also the equipment set-up and staff training, and further maintenance.

The fourth reason is that the main component for baking is a flour that can be bought directly on the flour plant, without additional intermediaries. Moreover, can be concluded with flour suppliers who are at an additional cost will bring the flour in a certain period of time. Also,

other ingredients for baking (tremor, salt, sugar, aromatic substances, spices, chocolate) can be purchased on the wholesale depots of the city Karaganda. Thus, the question of the purchase of raw materials is solved very easily.

The fifth reason is the use of the technology shock frosts. The advantage of this technology is that the products are always fresh, and also the shelf life of frozen food products up to 6 months. This is a fairly important reason for business, as it will be fewer losses. Also, the positive side is that the pastry chef does not need a lot of time to cook bakery products as needed another pastry chef without the technology.

In addition, it will easily expand in the future business at such points city, where no one could. For example, out of town or on the highway. The most important and the main reason for this choice is the daily the demand of the population, as well as products of this industry, is popular regardless of the season, the political system and the financial situation in the world. It follows that the degree of success of the project is estimated as high.

4.2. Product description

In order to the bakery was successful and profitable, it is necessary constantly be developing new product offerings. For this need to communicate with customers, find out what they like, about the kinds of baked goods and recommend latest creations to them.

“Bakeries produce a great variety of baked goods. There is almost no limit to the combinations of products you can provide to your customers. Of course, many bakeries choose to specialize in a single line of products like bread or cakes or even bagels, but many are also generalists baking up a little bit of everything for their grateful customers.”⁹

4.2.1. What we sell

The bakery "Happiness" will make fresh pastries and cakes to order using shock freezing technology.

The bakery will have a fairly large assortment of bread to please every customer. Will produce confectionery products such as daily cakes, cakes to order, pies and pastries.

⁹ Brenna Pearce: “FabJob guide to become a bakery owner”, ©2010., p.14.

The price list will include 27 different products - including:

- 9 types of cakes;
- 6 types of pastries;
- 6 types of pies;
- 6 types of bread.

Moreover, the bakery will take custom orders. All products are for retail sale.

The bakery will produce bread and pastry produced from high-grade flour, characterized by:

- high quality;
- low-calorie;
- ease of assimilation;
- excellent palatability;
- a wide range of prices.

To improve the taste and aroma will be added spices and flavoring (vanilla, cinnamon, mint, cumin, etc.). Product appearance is attractive to a buyer.

4.2.2. Product life cycle

Product life cycle - is the time since the original appearance of the product on the market prior to the termination of its implementation in the same market.

The life cycle of bakery products will be as follows:

The more natural ingredients in the product such as cream, milk, eggs, sour cream, yogurt, cream cheese, the less will be the shelf life, up to 3 - 4 hours. Other baking without adding will have the shelf life of up to 20 hours in the refrigerator.

Considering that the bakery "Happiness" will make pressure on fresh and quality products, its life cycle will not exceed 8 hours.

4.2.3. Menu

Any bakery should have an elaborated menu. Visitors should have a choice. Each client must be able to choose a dish according to their taste.

The following table shows the menu of dishes that can offer customers a bakery "Happiness" **(Table 1)**.

Table 1: Menu

Cakes	Pastries	Pies	Bread
1. Cake "Bourgeois"	1. Pastry "Potato"	1. Cheesecake	1. Diet bread
2. Chocolate cake	2. Custard eclairs	2. Apple pie	2. Brand bread
3. Cake "Red velvet"	3. Pastry "Bird's milk"	3. Meat pie	3. Whole wheat bread
4. Cake "Tiramisu"	4. Brownie	4. Vegetable pie	4. Darnytskiy bread
5. Cake "Counts ruins"	5. Pastry "Bush"	5. Cherry pie	5. French baguette
6. Cake "Napoleon"	6. Lemon pastry	6. Cottage cheese pie	6. Bread with sesame seeds
7. Biscuit			
8. Kyiv cake			
9. Cake "Prague"			

Source: The author

Price.

Price calculated based on competitors' prices and the cost of raw materials. Prices for pastries will not exceed 1.35 euros per unit, prices for pies will be 1 euro per piece, the price of bread will not exceed 0.88 euro, as to cakes, which will be sold on a daily demand, will not exceed 11 euros for whole cake, a piece of cake - no more than 2 euros, prices for cakes to order will depend on the wishes of the customer and the complexity of the order and the price at the ingredients.

Table 2: Price

Product	Price for piece, EUR	Price for whole, EUR
Cakes		
Cake "Bourgeois"	2	11
Chocolate cake	1.9	10
Cake "Red velvet"	1.60	9
Cake "Tiramisu"	1.20	8
Cake "Counts ruins"	1.70	10
Cake "Napoleon"	1.20	10

Biscuit	1.20	10
Kyiv cake	2	11
Cake "Prague"	2	11
Pastries		
Pastry "Potato"	1	
Custard eclairs	1	
Pastry "Bird's milk"	1.20	
Brownie	1.35	
Pastry "Bush"	1.10	
Lemon pastry	1	
Pies		
Cheesecake	1	
Apple pie	1	
Meat pie	1	
Vegetable pie	1	
Cherry pie	1	
Cottage cheese pie	1	
Bread		
Diet bread	0.88	
Brand bread	0.7	
Whole wheat bread	0.85	
Darnytskiy bread	0.80	
French baguette	0.65	
Bread with sesame seeds	0.70	

Source: The author

4.2.4. Difference from competitors

The bakery "Happiness" will be different from others:

1. The technology of shock freezing.

In Karaganda, there are no any bakery or pastry shop with this technology. Using this technology, the product retains all the organoleptic properties, as well as the natural taste and aroma.

Benefits of shock freezing are:

- Always fresh bakery products. Shock freezing technology allows supply hot bakery and fresh cakes every visitor, regardless of time of day. For frozen dish can be brought to readiness for 2-10 minutes just before serving, because without this technology usually cakes or bakery to start cooking for a few hours before serving.
- Long term storage greatly reduces the loss. According to sanitary rules and norms, baking shelf life ranges from 2 to 36 hours of preparation. Using shock freezing, the shelf life of frozen food up to 6 months.
- New opportunities. Technology shock freezing allows to open a bakery in such places where others cannot, that is a remote point of sales. For example, a bakery out of town or on the highway.

2. Price.

The bakery "Happiness" will be reasonable prices, which will be designed for any material status of the buyer.

3. Products.

Products that will be manufactured in the bakery will be unique, that means that no one from the bakery of the city of Karaganda does not have such bakery products.

In addition, will be made cakes of any complexity to order, which is quite an important factor for the customer.

4. Location.

Location of the bakery will be convenient for residents of nearby houses and for passing by because the bakery is located a hundred meters from the bus stop.

4.3. Goal and Strategy

4.3.1. Goal

The main goal is to find its niche, to establish itself on the market at the expense of product quality.

The purpose of this business is to open a bakery with a useful and healthy food, which will be attractive prices for all segments of the population. This bakery will bring higher profits, which is good the owner of the bakery, and at the same time, will be available to general consumers.

This result will be achieved thanks to the experienced staff and by using of shock freezing technology. Shock freezing - this is the only way to save foods without changing the chemical composition and structure of the product. The principle of shock freezing is based on the properties of the freezing liquid. In this case, the product is indistinguishable from fresh.

4.3.2. Strategy

To implement a successful business and to achieve the objectives in the future, every entrepreneur should develop a business strategy.

The business strategy includes directions and approaches developed by the company's management, which should lead the enterprise to achieve its goals.

Business strategy for the future goals of the bakery is to expand the bakery chain "Happiness", to cover four main districts of Karaganda city: the central district, the south-eastern district, western and eastern districts.

In the central district, the bakery "Happiness" will bake as well as daily bakery products, and take individual orders. In the other three areas will only produce daily bakery products.

In the beginning of the 2018 year is planned to conclude a contract with the agency, which will provide two cars for the delivery of bakery products in any areas of the city. In the future, it is planned to buy the own car for delivery.

In the beginning of the 2019 year is planned to open a new bakery in south area, where will be produced the only daily bakery, cakes to order will not be accepted.

In the ensuing year, it is planned to hire more staff. General managers, pastry chefs, and bakers will be trained abroad for training. To each employee will be explained the new trends in the market after training.

In the long run, the bakery "Happiness" is planning not only to expand its chain but also to create a new product. When the bakery "Happiness" master Karaganda market, it will be possible to plan the opening in other cities of Kazakhstan, for example, in the capital city Astana.

5. Market analysis

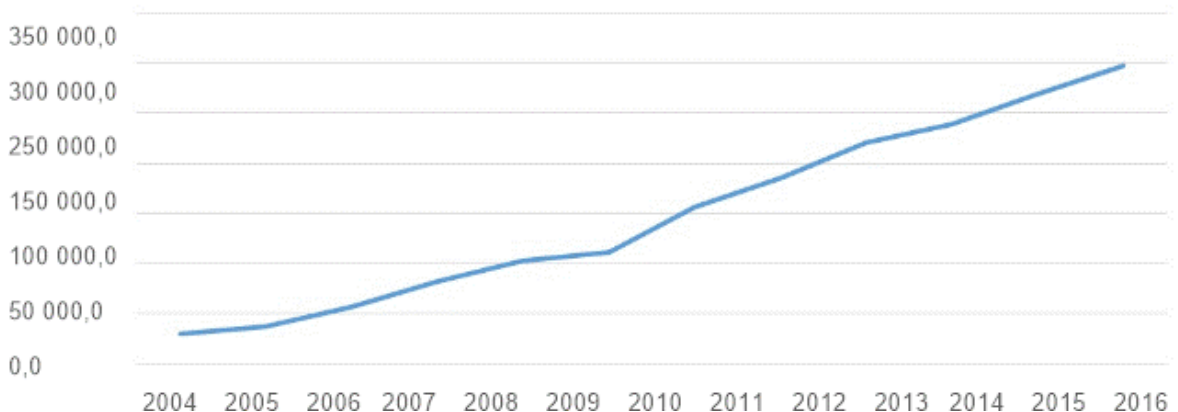
5.1. Characteristics of the industry

Catering market - one of the main sectors of economic activity of consumer cooperatives. In its production, trading and organizational functions include: preparing dining and other products; realization of own production and the so-called purchased goods (that is not subjected to cooking); organization of consumption.

“The catering market plays a special role in the life of modern man. This is achieved primarily by changing processing technology, the development of communication, delivery systems, products and raw materials, the intensification of many industrial processes. In modern conditions the food industry is one of the fastest growing sectors of the economy, thanks to the growth of living standards, resulting in an increase in the number of restaurants, bakery and cafes are happening.”¹⁰

Changing the overall volume of the market of services for the provision of catering products in Kazakhstan during the period from 2004 to 2016, as shows **the figure 1**, shows a pronounced positive trend. Catering market research suggests that in some years, volume growth amounted to 40-45%, and from entrenched at the level of 6-20% in 2011.

Figure 1: Changing the overall volume of the market of services for the provision of catering products in Kazakhstan during the period from 2004 to 2016



Source: Research agency "IMSI Elim"

¹⁰ Group-global web-site. Conditions, challenges and trends of the market catering in modern Kazakhstan. [online]. [cit.2017-01-26]. Available from: <http://group-global.org/ru/publication/49382-sostoyanie-problemy-i-tendencii-razvitiya-rynka-obshchestvennogo-pitaniya-v>

5.1.1. About the Retail Baking Industry

“The bakery industry is a mature and strong industry. Small, privately owned bakeries have been around for centuries, and they don’t appear to be going anywhere soon. Sure, you can buy a loaf of bread or a chocolate cake at your local big box chain supermarket, but nothing compares to the quality and taste of these goodies when they come fresh from the neighborhood bakery.”¹¹

5.1.2. Catering market: forecasts and trends

Most catering companies refers to small businesses in Kazakhstan, and, in spite of the increasing competition in this field, services for the provision of catering products are and will in outstripping demand by consumers, that is due to the improvement of living standards and with the development of a culture of rest in eating places.

5.2. Market characteristics

For the last ten years, the economy of the Republic of Kazakhstan has developed rapidly and Kazakhstan has managed to become one of the fifty most competitive countries of the world.

“The Republic of Kazakhstan is the largest grain producer in Central Asia. In 2012, the total volume of exported grain was 78 613 million tons. Most grains are exported to Russia, Central Asia, and Iran.

A large part of the grain used to produce so-called "social" or inexpensive, tin bread at a price of 0.30 cents per piece.

The group of flour products includes not only bread but sweet pastries, cakes, pies, sweet and savory biscuits.

The average consumer in Kazakhstan uses about 250 grams of bread a day, in some areas - even 300 g.”¹²

This business will be opened in Karaganda region, in the city of Karaganda. Karaganda is one of the leading regions for the production of fresh bread because the largest number of inhabitants live here. Production bread increased slightly from 2015 to 2016, bread production was 2 000 tons in 2015, now 2 200 tons. This is justified by factors such as the opening of small private bakeries, broadening the range of bakery products, bakeries development of retail networks.

¹¹ Brenna Pearce: “FabJob guide to become a bakery owner”, ©2010., p.13

¹² Studydoc web-site. The market in Kazakhstan. [online]. [cit.2017-01-26]. Available from:

<http://studydoc.ru/doc/2752698/hleb-2015-01-08-rynok-v-kazahstane--516.2-kib->

The place, where will be open a bakery, is the center of Karaganda city. According to statistics of the transport company that transports passengers through the center, the workload per day is 5 thousand people. Together with the transport company survey was held on the topic - how many people would have wanted the bakery which will sell bread, cakes, pastries and pies next to the stop. According to the survey, it was found that 49% of respondents expressed an interest and have given a positive response to the bakery was opened, 15% of them said that they would definitely buy the products.

Based on the assumption that the average person visits the bakery once every three days to buy bread or some bakery product, it can be assumed that the average attendance per day will be 250 people. Given this number of visitors to the bakery, can pre-estimate the number of products: 105 pieces of bread, 55 pieces of pastries, 80 pieces of pies, 10 pieces of daily cakes (whole), 65 pieces of daily cakes per a piece, 5 pieces of cakes to order. The total number of products sold per day is 320 piece. Approximately average revenue per day will be 482 euro.

Table 3: Production (per one day)

Name	Amount, pcs	Average price, EUR	In total, EUR
Bread	105	0.6	63
Pastries	55	1.1	60
Pies	80	1	80
Cakes (whole)	10	10	100
Cakes (per a piece)	65	1.6	104
Cakes (to order)	5	15	75
In total	320		482

Source: The author

5.2.1. Characteristics of the region

The number of the population in Karaganda region is 1 339 368 people. Karaganda region consists of 9 rural areas, 11 cities, 39 villages, 171 rural districts. Karaganda region is located in the central part of Kazakhstan and occupies approximately 1/7 of the entire territory of the republic. The area of the Karaganda region is 428 000 square kilometers.

According to the department, statistically statistics of the Karaganda region the number of economically active population of the Karaganda region increased significantly in the past 10 years.

According to the publishing agency "IMSI Elim" employed the population of the Karaganda region amounted to 707.2 thousand people in 2016 or 95% of the economically active population.

In the structure of employment, the main share (28.6%) were persons aged 25-34 years, 24.5% - 35-44 years old, 22.8% - 45-54 years old, 12.3% - youth 15-24, 11.8% - employed 55 years and older.

The number of unemployed amounted to 36.9 thousand people, which is 2.8% less than in 2015. Thus, it can be summed up that the business with the situation on the market is very profitable.

5.3. Characteristics of consumer products

The target audience of this business is men, women, and children of all ages and social status. The main target audience of the bakery is residents of nearby houses, interested in the consumption of fresh hot pastries, as well as people who are monitoring their health and prefer high quality and useful products from whole wheat flour.

5.4. Characteristics of competitor

At the moment, the production of bread and bakery products in Karaganda engaged two companies such as the company "Nan-Orion" and "Karaganda-Nan", three confectionery "Elita vkusa", "Angelina", "Backerei".

Based products, manufactured on bakery plants - it is bread made from rye and wheat flour, loaves, buns rarely. Companies have been opened for a long and because of this the equipment is worn out and needs investment. Prices for the products are set by the company itself.

The company "Karaganda-Nan" - is the largest company in the city of Karaganda for the production of bakery and confectionery products.

Table 4: The company "Karaganda-Nan"

Strength:	Weaknesses:
Wide range of products - more than 400 kinds of products	It is not always well-baked bread
There is own corporate quality control service	Lack of individual orders

Source: The author

Companies "Nan-Orion" - is the second largest in the city of Karaganda, engaged in the production of bread, manufacture of fresh pastry goods and cakes.

Table 5: The company “Nan-Orion”

Strength:	Weaknesses:
Constantly searching for new products production.	Lack of individual orders

Source: The author

The confectionery "Elita vkusa" - is a private enterprise engaged in baking confectionery since 2003.

Table 6: The confectionery “Elita vkusa”

Strength:	Weaknesses:
A wide range	High prices
Always fresh pastries	The location on the outskirts of the city
Take individual orders	

Source: The author

The confectionery "Angelina" – is a private enterprise engaged in the sale of confectionery and bakery products.

Table 7: The confectionery “Angelina”

Strength:	Weaknesses:
Always fresh pastries	High prices
Take individual orders	

Source: The author

The confectionery "Backerei" – is a private enterprise engaged in the sale of confectionery products.

Table 8: The confectionery “Backerei”

Strength:	Weaknesses:
A wide range	Location in a quiet area of the town
Always fresh pastries	Does not work on weekends (Saturday, Sunday)

Source: The author

As can be seen, on the market of bakery products of Karaganda work like large enterprises and private enterprises (confectionery). In two large companies offers fresh baked goods, but not always quality - not always well-baked bread, in addition, the range of goods has not changed for several years, regulated by the state and cannot afford to individual orders.

As for private companies - confectionery, there are a varied assortment, can take individual orders, prices depend on the product and are located in different parts of the city and its suburbs, mainly intended for the population that lives nearby.

5.5. Marketing research

This market research will be descriptive. It would be a simple description of various aspects of the real marketing situation related to the baking activity in Karaganda.

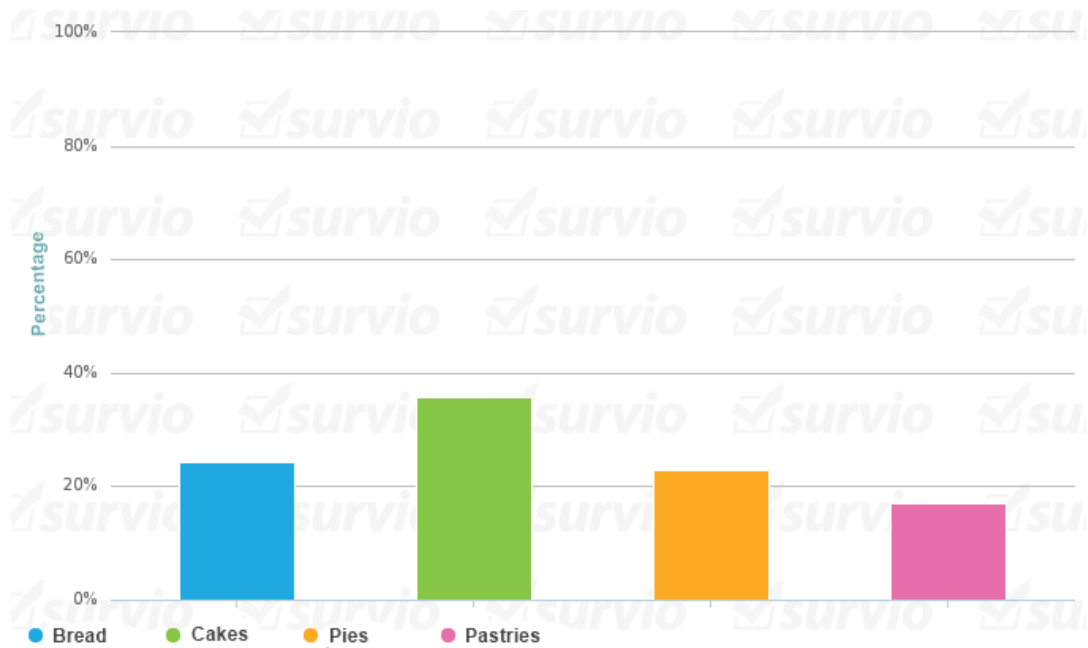
The problem was that the company did not have reliable data. In this regard, the company management could not make the right management decisions: to open or not to open a new bakery in the city of Karaganda.

To solve the above problem helped survey of the target group. The target group of the marketing research has been chosen in view of the geographical segmentation of the market, i.e. the target group will be composed of residents of the city of Karaganda all ages, gender, all social status, and financial position. This choice is due to the fact that the product is relevant for everyone.

This study was conducted online, via the social network Vkontakte, in the group, which is called Ekaraganda,kz. There was placed a questionnaire, which was attended by 1 543 people.

The first survey showed that in spite of the age and gender of the person, people prefer more cakes 35.7% (= 551 people) of bakery products (**Figure 2**). The rest prefer bread – 24. 3%(=375 people); pies – 22.9%(=353 people); pastries – 17.1%(=264 people).

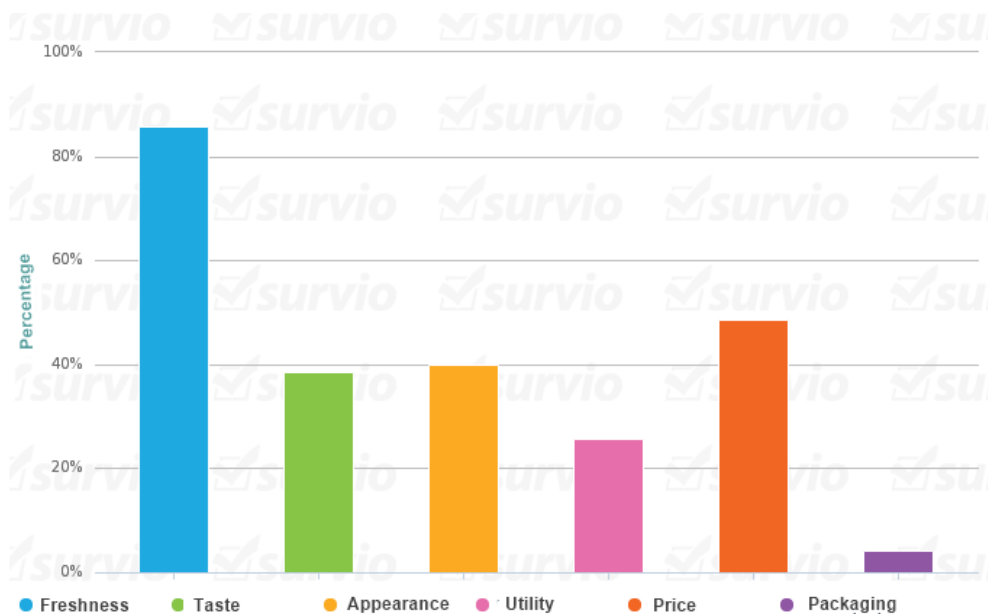
Figure 2: What bakery products you prefer more?



Source: The author

The second survey showed that the most important criteria when buying a bakery are its freshness (85.7%), price (48.6) and appearance (40%) (Figure 3). People could select multiple answers.

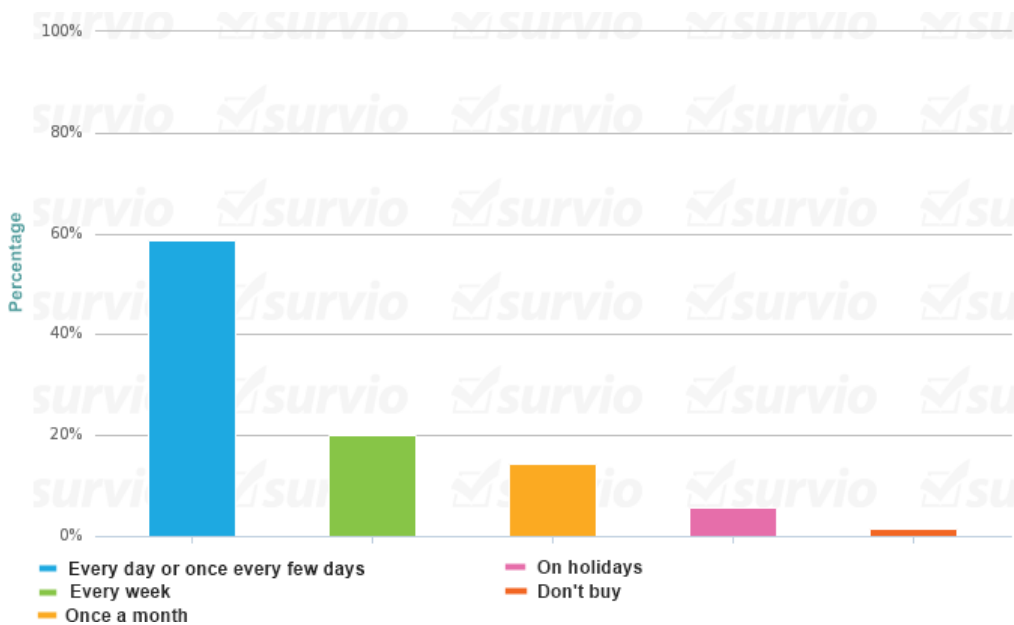
Figure 3: What are the criteria do you follow to buy bakery products?



Source: The author

The third equally important survey, which was conducted - "How often do you buy bakery products?" (**Figure 4**). The most common answer was "every day or several times a week." - 58.6% (= 904 people).

Figure 4: How often do you buy bakery products?

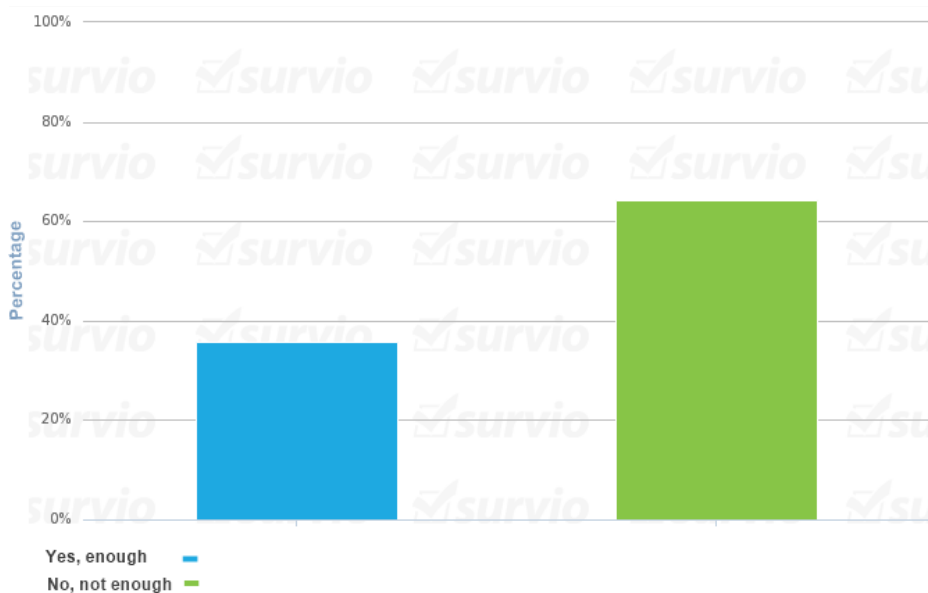


Source: The author

As for the main question for this project - whether enough bakeries in Karaganda city, most of the answers were "no, not enough" – 64.3% (= 992 people) (**Figure 5**).

and another question was: “Are you satisfied with the existing supply of confectionery products in your city?” (**Figure 6**). Answers were: yes, completely – 23.5%(=363 people); not satisfied with the quality and taste – 21.2%(=327 people); not satisfied with high prices – 38.8%(=599 people); not completely satisfied – 16.5% (=254 people).

Figure 5: How do you think whether enough of confectionery or bakery in Karaganda city?



Source: The author

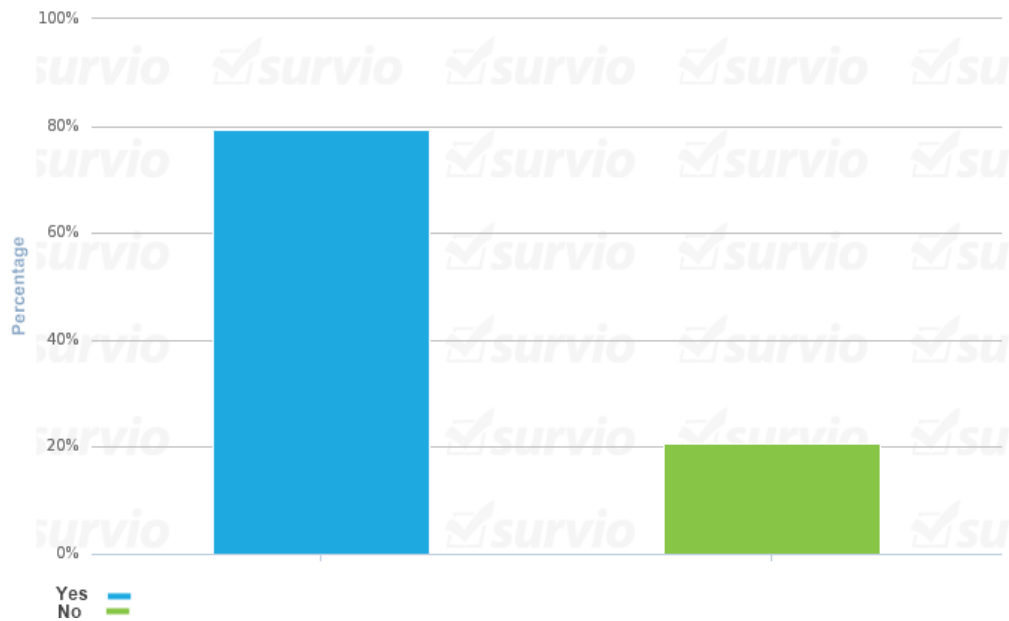
Figure 6: Are you satisfied with the existing supply of confectionery products in your city?



Source: The author

In addition, one more survey was conducted, which was aimed at future goals: " How do you think whether the need to open a bakery open a bakery at the gas station, out of town or on the highway?" (Figure 7). Most gave a positive answer – 79.2% (= 1 222 people). Considering this result, it will be a good future for the bakery "Happiness", which is going to expand its chain

Figure 7: How do you think whether the need to open a bakery open a bakery at the gas station, out of town or on the highway?



Source: The author

Conclusion

Considering these data on the results of the survey can reveal that not enough bakeries in Kazakhstan; many residents are not satisfied with the high prices, the quality, and taste of the products. Thus, the bakery "Happiness" will direct all its efforts to meet the demand of the population. Only fresh bakery products will be issued and prices will be available to anyone. Summarizing the data based on the results of these surveys can say that this project will have success.

6. PEST Analysis

Table 9: PEST analysis

Political	Economic
<ul style="list-style-type: none"> • Support for small and medium-sized businesses: <ol style="list-style-type: none"> 1) The program using factoring - the creation of alternative financing for entrepreneurs of small and medium-sized businesses. 2) The program financing franchise projects • The tightening of state regulation of the activity of public catering organizations. 	<ul style="list-style-type: none"> • The level of inflation (6-8%); • In 2017, Kazakhstan's economy will grow by 1.5%; • Catering market: volume growth at the level of 6-20%; • The emergence of new competitors.
Social-cultural	Technological
<ul style="list-style-type: none"> • Increasing population growth: 8.6% annually; • Changes in the structure of income and expenditure. 	<ul style="list-style-type: none"> • Development of competitive technologies: the use of new stoves, which speeds up the cooking time; • The introduction of new software and energy-saving equipment

Source: The author

On the basis of this method, it has been shown, which factors of external macro have an impact on the bakery "Happiness".

7. SWOT- analysis

Table 10: SWOT-analysis

Positive factors	Negative factors
Strength	Weaknesses
<ul style="list-style-type: none"> • Excellent quality of the goods; • Location (cent of the city); • A wide range of products; • Affordable price: prices are available on any material status of the buyer; • Location: center of town where a large traffic of customers; • Creating original products: individual orders from customers; • New modern production technology: the only bakery which will use shock freezer; • Individual approach to every customer; • Highly qualified staff; • Participation of bakery workers in training, training programs; • High level of service. 	<ul style="list-style-type: none"> • The absence of volume discounts from suppliers due to the small volumes of production; • Lack of capital: all funds to start a business will come from loans; • Lack of reputation: not yet recommended in the market.
Opportunities	Threats
<ul style="list-style-type: none"> • Growth in the region: region, where will be located bakery, is growing at 8,6% per year; • Next to the bakery are being built residential complexes, it promotes new customers; • Creating a new product. 	<ul style="list-style-type: none"> • The increase in raw materials and primary products prices; • Tax increase; • Problems with suppliers; • New competitors.

Source: The author

Conclusion

On the basis of this method were identified challenges facing enterprises. These problems are caused by having positive and negative factors within the company "Happiness", as well as external threats and opportunities. According to this strategy can be designated strategy for the advancement of bakers "Happiness" in the near future:

- 1) Create a new product;
- 2) Staff Development;
- 3) Involvement of financial resources for expanding the list of offered services and promote them on the market.

8. The organizational plan

The purpose of the organizational plan is to show that there is a qualified staff able to realize the investment project, experienced managers able to efficiently allocate responsibilities for the implementation of the project.

For the organization of production need to hire these workers, and accordingly ensure the payment of the salary of a certain size. Data employees and the amount of salary shown in **Table 11**.

Personnel cost for monthly is 2 210 euros.

According to the Tax Code of the Republic of Kazakhstan from the employee's salary each month two deductions are made: mandatory pension contributions and individual income tax. Health insurance is not required because of free medicine in Kazakhstan.

Table 11: Personnel cost (monthly)

	Amount	Cost per one, EUR	Gross Salary in total, EUR	Pension contributions (10%), EUR	Individual income tax, EUR.	Net salary, per one, EUR.	Net salary, in total, EUR.
Salaries of staff:							
Accountant	1	290	290	29	18.8	242	242
Baker	1	297	297	29.7	19.43	249	249
Baker - confectioner	1	386	386	38.6	27.44	320	320
Technologist catering	1	445	445	44.5	32.75	368	368
Helper	1	180	180	18	8.9	153	153
Seller-cashier	2	220	440	22	12.5	185.5	371
Cleaning woman	1	172	172	17.2	8.2	146	146
In total			2 210				1 849

Source: The author

The social tax and social deductions are paid by the employer from his budget for each employee. The author of the thesis is an individual entrepreneur who works on a simplified declaration, thus, the social tax for employees is not assessed at all. It means that the author of the thesis as an individual entrepreneur will pay from his budget only social contributions for each employee (**Table 12**).

Table 12: Calculation of social contributions for each employee from budget of employer

	Amount	Cost per one, EUR	Cost in total, EUR	Social contributions (5%), EUR	In total, EUR
Salaries of staff:					
Accountant	1	290	290	13.05	13,05
Baker	1	297	297	13.2	13,2
Baker - confectioner	2	386	772	17.4	34,8
Pastry chef	1	297	297	13.2	13,2
Technologist catering	1	445	445	20	20
Helper	1	180	180	8	8
Seller-cashier	2	220	440	10	100
Cleaning woman	1	172	172	7.74	7,74
In total			2 210		210

Source: The author

Selecting an employee will be based on interviews, skills testing, which will be made directly by the director of the company. The average age of employees is 35-50 years.

The most valuable features are:

- honesty;
- integrity;
- teamwork;
- communication skills;
- organization.

Schedule

The total time of the bakery is from 7 am to 7 pm, the total time is 12 hours, seven days a week.

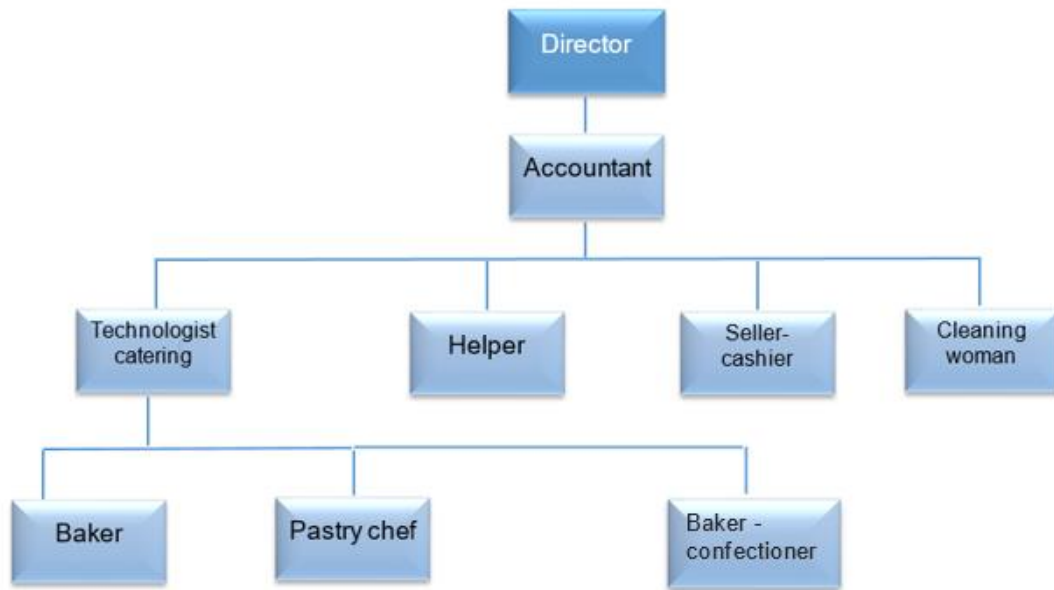
Staff will work in two shifts:

The first shift from 7 am to 13:00;

The second shift from 13:00 to 7 pm.

For the purposes of clarity and consistency of the work necessary to determine the organizational chart of the organization (**Figure 8**).

Figure 8: The organizational chart



Source: The author

Staff functions:

- Technologist catering organizes the production, that is allocated equipment and teaches the rules of use, also makes a menu, is responsible for the serviceability of the kitchen equipment and the quality of the finished product, monitors compliance with sanitary norms, explores new trends in the catering market and coordinates the work in accordance with them, developing new recipes;
- Accountant keeps a record of financial documents, prepares financial statements, performs calculations with the budget, is engaged in the calculation of income tax and payroll employees;
- Bakers engaged in baking bread;
- Pastry chefs engaged in the manufacture of confectionery products, their design, manufacturing related products (creams, syrups) in compliance with routine;
- Baker – confectioners know how to make the dough from wheat and rye flour or a mixture thereof (crumbly and shortcrust dough, biscuit, choux, puff and yeast dough, airy dough). Also know how to make a variety of fillings, coatings, and decorations. Engaged in the manufacture of confectionery products and in baking bread.
- Seller-cashier takes orders and monitors the cash register;
- Helper performs auxiliary work such as the unloading of flour, sugar and other components of the dough, performs fine adjustment works and other necessary work;
- Cleaning woman engaged in cleaning the room also washes dishes.

9. The production plan

This section includes all aspects of production, in particular, the location of the place of the bakery operation, the volume of output and other aspects related to the production.

9.1. Location

The place where will be located the bakery "Happiness" is the center of Karaganda city, on the street Bukhar-Zhyrau, 100 meters from the bus stop. On the street Bukhar-Zhyrau, there are a few apartment complexes and four large shopping centers.

It is supposed to take space for rent size of 123 sq.m: 15 sq.m. for the warehouse, 30 sq.m. for the bakery, 54 sq.m. for the kitchen, 15 sq.m. for the utility room (dressing room for men and women, toilet, and shower), 9 sq.m for the cabinet (**Table 13**). Space will be rented. The lease agreement provides for an annual rent of 950 euros. The contract will be signed for 3 years with the condition of its further renewal (i.e. extension). All the rooms are ready for the establishment of production and do not require additional funds for repairs. Space is equipped with a ventilation system and air conditioning.

Table 13: The calculation of the total area of the rooms

Warehouse	15 sq.m.
Bakery	30 sq.m.
Kitchen	54 sq.m
Utility room	15 sq.m.
Cabinet	9 sq.m
Total floor area	123 sq.m

Source: The author

9.2. Equipment

On the market of the country is now a very large range of proposals for the sale of bakery equipment. To make the right choice when buying the equipment, need the help of professionals who are not one year working in this field and have the great experience. As a result of the analysis of various types of equipment, domestic and foreign production, and authoritative opinions of consultants, it was concluded that the equipment, which is often advertised in the various media does not correspond to the characteristics indicate in the advertisement.

On the advice of experts has been selected online store of the company "HORECA supplies". The company was the foundation in 2013, in Astana, despite its not a great experience, the company is rapidly going up. "HORECA supplies" is the official representative of the company "Klen". The company "Maple" for over 20 years working in the Russian market of HoReCa,

specializing in the complex equipment of restaurants, bars, cafes, canteens, food industries and retail stores of different formats.

The advantage of this is that the range is constantly updated with new products, confectionery and baking equipment, various kitchen accessories and tools for equipment and utensils for care. This is an important aspect for the bakery "Happiness" for further future.

The main equipment is a rotary kiln. Equipment cost is 16 300 euro. Due to the constant blowing hot air rotating trolleys, baking bread and bakery products obtained uniform and quality. The productivity of the furnace is 120 kg / h, productivity per bake is 144 pieces - bread tin (Form A7) and 84 pieces - loaf (7 pieces on a baking sheet).

The second main equipment is an oven. The cost of 900 euros of equipment. Designed for small-sized bakery products and confectionery. The number of baking chambers: 2, Capacity: 6; baking 530x470 mm.

The bakery "Happiness" will use the new, modern technology shock freezing, because of this the main third equipment is a shock freezer cabinet. Equipment cost is 12 000 euros. Freezing productivity: 50 kg for 240 minutes (from +90 ° C to -18 ° C), the cooling performance - 65 kg for 90 minutes from +90 ° C to +3 ° C.

The cost of each equipment also includes a full range of services and activities related to its installation, start-up, commissioning and training of staff. In addition, this amount includes warranty service for one year, free replacement parts for this time period.

Moreover, the set of equipment includes:

- Flour sifters;
- Flour mixing machine;
- Long molder machine;
- Bakery racks;
- Kitchen rack;
- Industrial table;
- Confectionery table;
- Underbar sink with faucet and with one drainboard;
- Underbar sink with faucet and with two drainboards;
- Kitchen scales;
- Reach-in refrigerator;
- Undercounter freezer;
- Small tools, such as knives, scrapers, brushes, kneading utensils, molds for cakes, loaf pan, pastry bags.

This equipment is sufficient for the production of bread and confectionery. However, except for equipment for the production of bakery products is not enough, necessary to obtain the quality certificate and permission for production activities. To obtain such permission, at first need to obtain a health certificate for the products. Following the acquisition of the hygienic certificate, must obtain a certificate of conformity of products in the bakery, said in a sanitary certificate. To do this, need to produce product samples, which are given for examination to one of the experimental laboratories. For all of these documents require additional costs is 60 euros. However, the certificate verification procedure must be repeated at least once a quarter. Thus, the amount of capital expenditure will be in the following way (**Table 14**).

Table 14: Cost of equipment, tools, commercial furniture and other expenses

Cost	The number of positions, pcs.	Price for 1 pcs, EUR.	The total value, EUR
Equipment			
Rotary kiln	1	16 300	16 300
Oven	1	900	900
Shock freezer cabinet	1	12 000	12 000
Flour sifters	1	600	600
Flour mixing machine	1	1 500	1 500
Long molder machine	1	3 200	3 200
Bakery racks	3	450	1 350
Kitchen rack	3	250	750
Industrial table	3	170	510
Confectionery table	1	450	450
Kitchen scales	1	90	90
Reach-in refrigerator	1	560	560
Undercounter freezer	1	253	253
Underbar sink with faucet and with one drainboard	1	120	120
Underbar sink with faucet and with two drainboards	1	150	150

Cost	The number of positions, pcs.	Price for 1 pcs., EUR.	The total value, EUR
Tools:			
Form for baking round	10	2	20
Form for baking square	7	2	14
Form for baking sectional	4	4	16
Silicone bakeware "A circle"	4	7	28
Cream injector	5	1	5
Pastry bag	3	1	3
Set pastry nozzles (36 pieces)	1	70	70
Cake divider	3	9	27
Pastry knife	3	7	21
Silicone scraper	4	1	4
Shovel for cake	3	2	6
Mittens for bakes	4	20	80

Commercial furniture:			
Commerce and cash register counter	1	450	450
Bread showcase	1	350	350
Cake showcase	1	700	700
Showcase pastry vertical	1	1000	1000
Desktop	1	110	110
Chair	1	150	150
Table for customers	2	90	180
Chair for customers	5	45	225
Filing Cabinets	1	95	95
Other expenses:			
The acquisition of the documentation package	1	60	60
Total value			42 347

Source: The author

9.3. Raw material

All the necessary ingredients for the bakery is expected to buy at wholesale depots of the city of Karaganda. All components for the production of bread and bakery products are not in short supply, so the disruption to the supply of raw materials is not expected and the problems associated with their purchase will not arise.

The total amount for the month is 3 560 euros (**Table 15**).

Table 15: Raw material

Name	Value	Cost, EUR	Value, month	Cost, month, EUR
Flour	1 Kg	0.16	2 250 Kg	240
Margarine	1 Kg	1.22	70 Kg	85
Sunflower oil	1 L	1.11	150 L	167
Salt	1 Kg	0.07	300 Kg	21
Sugar	1 Kg	0.56	1 200 Kg	672
Yeast	1 Kg	1.63	300 Kg	489
Cocoa	1 Kg	2.5	300 Kg	750
Chocolate	1 Kg	1.62	300 Kg	486
Food acid	1 Kg	1.22	90 Kg	110
Eggs	1 pcs	0.06	9 000 pcs	540
In total				3 560

Source: The author

9.4. Costs of production

In addition to regular, monthly costs include salaries, depreciation, payment of rent, utilities, taxes, purchase of raw materials, advertising.

At the initial stage, it is planned to invest in advertising bakery: via the Internet - 30 euros per month, the distribution of flyers - 25, radio advertising twice a week - 15 euros, the total for the month is 70 euros (**Table 16**).

Table 16: Action Plan for the promotion of the project (monthly)

Promotion	Cost, EUR
Internet	30
The distribution of flyers	25
Radio advertising	15
In total	70

Source: The author

For monthly costs, which include individual income tax (1.5%), social (1.5%) and pension contributions (10%), all taxes will be taken from the revenue. Health insurance is not required because of free medicine in Kazakhstan.

Table 17: Cost (monthly)

Cost	The amount for the month, EUR
Personnel cost	2 210
Rent	950
Payment for utilities	300
Material consumed	3 560
Promotion	70
Tax: income tax (1.5%), social tax (1.5%)	433
Pension contributions (10%)	1 446
Social contributions for each employee (5%)	210
Bank loan and interest	1 015
Depreciation	351
In total	10 545

Source: The author

Table 18: Main characteristics of production

Production	Value
The duration of the work shift, hour	12
The number of shifts per day	2
The number of working days in a month	30
The amount of bread baked for a shift	105
The number of cakes for a shift (whole)	10
The number of cakes per piece for a shift	65
The number of cakes to order for a shift	5
The number of pastries for a shift	55
The number of pies for a shift	80

Source: The author

9.5. Depreciation of equipment

“Depreciation is the process by which a company allocates an asset's cost over the duration of its useful life. Each time a company prepares its financial statements, it records a depreciation expense to allocate a portion of the cost of the buildings, machines or equipment it has

purchased to the current fiscal year. The purpose of recording depreciation as an expense is to spread the initial price of the asset over its useful life.”¹³

Table 19: The calculation of depreciation declining balance method

Name	Amount	Unit price, EUR	Normative term of service, year	Total cost, EUR	Annual depreciation rate, %	The amount of depreciation, year, EUR	
Rotary kiln	1	16 300	10	16 300	10	1 630	
Oven	1	900	10	900	10	90	
Shock freezer cabinet	1	12 000	10	12 000	10	1 200	
Flour sifters	1	600	10	600	10	60	
Flour mixing machine	1	1 500	10	1 500	10	150	
Long molder machine	1	3 200	10	3 200	10	320	
Bakery racks	3	450	10	1 350	10	135	
Kitchen rack	3	250	10	750	10	75	
Industrial table	3	170	10	510	10	51	
Confectionery table	1	450	10	450	10	45	
Kitchen scales	1	90	10	90	10	9	
Reach-in refrigerator	1	560	10	560	10	56	
Undercounter freezer	1	253	10	200	10	20	
Underbar sink with faucet and with one drainboard	1	120	10	120	10	12	
Underbar sink with faucet and with two drainboards	1	150	10	50	10	5	
Tools	1	294	5	294	20	58.8	
Commercial furniture	1	2 990	10	2 990	10	299	
Total for the year:							4 216
Total per month:							351

Source: The author

¹³ Investopedia. An Introduction To Depreciation [online]. [cit.2017-02-15]. Available from:

<http://www.investopedia.com/articles/fundamental/04/090804.asp>

10. The Financial plan

This section addresses issues of financial security of the company activities and the most efficient use of available funds on the basis of on previous financial data and forecasts sales volumes of goods on the market in subsequent periods.

For the implementation of the project requires 46 927 euros: money for equipment was taken credit, another money for rent, raw material, the promotion was taken from own capital (**Table 20**).

Table 20: Initial investment

Items	Value, EUR
Equipment	42 347
Real estate rent	950
Raw material	3 560
Promotion	70
Total amount	46 927

Source: The author

The money for the project will be taken on credit because in Kazakhstan, there is a state program to support small and medium-sized businesses - KAZKOM and the state program "Doroznaya karta Bisnesa - 2020". In addition, money will be taken in credit in Halyk Bank for 4 years at an interest rate of 7%. The sum, which will be taken in credit is 42 347 euros, the sum with interest rate is 48 675 euros, the monthly amount is 1 015 euros.

Table 21: Capital resources

Items	Value, EUR
Bank loan	42 347
Own capital	4 580
Total amount	46 927

Source: The author

Table 22 shows the financial report reflecting a condition of assets, liabilities and the capital of owners of the company on the 2017 year.

Table 22: Balance sheet, 2017 year

Assets		Equity and Liability	
Fixed assets		Equity	
Equipment	42 347	Capital	4 580
Total fixed assets	42 347	Total equity	4 580
Current assets		Liability	
Inventory	3 560	Bank loan	42 347
Bank account	1 020		
Total current assets	4 580	Total liability	42 347
TOTAL	46 927	TOTAL	46 927

Source: The author

Considering the information on the **page 31**, the plan of sales volume was calculation by months for 2017 year. The sales volume is changing due to the number of days in a month, for 2017 year is 115 840 pieces, net profit is 47 818 euros.

Table 23: The calculation of the project for 2017 year

Month	Sales volume, pcs.	Total Revenues, EUR	Total cost, EUR	Gross profit, EUR	Net profit, EUR
January	8 960	13 496	10 419	6 055	3 077
February	8 960	13 496	10 419	6 055	3 077
March	9 920	14 942	10 608	7 501	4 334
April	9 600	14 460	10 545	7 019	3 915
May	9 920	14 942	10 608	7 501	4 334
June	9 600	14 460	10 545	7 019	3 915
July	9 920	14 942	10 608	7 501	4 334
August	9 920	14 942	10 608	7 501	4 334
September	9 600	14 460	10 545	7 019	3 915
October	9 920	14 942	10 608	7 501	4 334
November	9 600	14 460	10 545	7 019	3 915
December	9 920	14 942	10 608	7 501	4 334
In total	115 840	174 484	126 666	85 192	47 818

Source: The author

The expected attendance at the bakery in the center of the day will be 250 people. Given this number of visitors, the approximate number of products per day – 320 pieces. Expected average check per one person is 1.93 euros. The revenue per day is 482 euros. The annual revenue of sold goods in 2017 is 174 484 euros (**Page 31**).

In 2018, the volume of output of products will grow by 148 % due to the fact that the bakery "Happiness" will conclude an agreement with an agency that will provide two machines for delivery of baked goods to any areas of the city. The cost for this services is 200 euros per month. The approximate number of products per day – 475: bread 170, pastries 90, pies 100, cakes for whole 15, cakes for piece 90, cakes for order 10. The revenue per day is 745 euros. The annual revenue of sold goods in 2018 is 268 200 euros

In 2019, it is planned to open one more bakery in one area of the city - south. In this area, the only daily bakery will be produced, cakes to order will not be accepted. Thus, for new second bakery will hire the staff: one baker, one baker-confectionery, one helper, one seller-cashier, one cleaning woman. The personnel cost is 1 255 euros per month. In the south area, it is planned to produce 150 pieces: bread 50, pastries 25, pies – 30, cakes for whole 5, cakes for piece 35. The revenue per day is 193 euros. The annual revenue of sold goods for this area is 69 480 euros. The annual revenue of sold goods for two areas in 2019 is 337 680 euros. (**Table 24**)

Table 24: Income statement

Items	2017	2018	2019
Material consumed	42 720	63 408	83 436
Utility	3 600	5 340	7 032
Rent	11 400	11 400	17 400
Promotion	840	840	1 680
Personnel expenses	26 520	26 520	41 580
Taxes	25 068	37 380	47 088
Interest expense	12 180	12 180	12 180
Depreciation of equipment	4 216	4 216	8 432
Services (transport for delivery)	-	2 400	2 400
Total expenses	126 544	163 684	221 228
Revenues from products	174 484	268 200	337 680
Total revenues	174 484	268 200	337 680
PROFIT/LOSS (+/-)	47 940	104 516	116 452

Source: The author

Table 25: Cash flow statement

Cash flow	2017	2018	2019
Inflow			
Revenues from products	174 484	268 200	337 680
Initial Investment	46 927	0	0
Inflow of cash	221 411	268 200	337 680
Outflow			
Cost of goods sold & Operating cost	99 780	124 608	168 900
Taxes (18%)	22 548	34 860	43 895
Outflow of cash	122 328	159 468	212 795
Balance of money on the project	99 083	108 732	124 795

Source: The author

Table 26: Net cash flow

Items	2017	2018	2019
Expected revenues	174 484	268 200	337 680
Total revenues	174 484	268 200	337 680
Expected costs	122 328	159 468	212 796
Depreciation	4 216	4 216	8 432
Total expenses	126 544	163 684	221 228
Earning before tax	47 940	104 516	116 452
Tax 18%	6 233	13 587	15 139
Earning after tax	41 707	90 929	101 313
Depreciation	4 216	4 216	8 424
EAT + depreciation	45 923	95 145	109 737
NET CASH FLOW	45 923	95 145	109 737

Source: The author

Table 27: Cumulative net cash flow

Year	Net cash flow	Cumulative Net cash flow
2017	45 923	45 923
2018	95 015	140 938
2019	109 737	250 675

Source: The author

Payback Period:

$$PB = \frac{\text{Initial investment}}{\text{Cash Inflow per period}} = \frac{46\,927}{45\,923} = 1.02 \text{ years} \quad (4)$$

Payback period is 1.02 years; it means that payback period of the project will take more than a year.

Net present value

$$r = 20 \%$$

$$NPV = \frac{45\,923}{(1+0.2\%)} + \frac{95\,015}{(1+0.2\%)^2} + \frac{109\,675}{(1+0.2\%)^3} - 46\,927 = 120\,793 \quad (5)$$

In this case, $NPV > 0$, so the investment is going to be very profitable and project can be accepted.

Profitability index

$$PI = \frac{156\,094}{46\,927} = 3.6 \quad (6)$$

Profitability of the project is 3.6, it means that for every euro invested receive 3.6 euros back. Should take up the project and invest in it.

Break-even point (Q)

$$Q = \frac{FC}{(P-VC)} \quad (7)$$

Q = Break-even point, or units of production

FC = Total fixed cost

P = Price of one unit

VC = Variable cost per unit

$$Q = \frac{3\,881}{1.93-0.4} = 2\,536 \quad (8)$$

According to the author's calculation the company must sell 2 536 expected average checks per month to start produce a profit.

11. Risk assessment

During the project, implementation is necessary to consider the risks. This section is aimed at forecasting the onset of negative situations in the implementation of the project and how to resolve them.

What risks can expect this business:

- The instability of demand, that is a drop in demand and prices.
The solution - it is necessary to reduce the price, reduce advertising costs and the costs of the search for new market segments.
- Reduced price competitor.
The solution - to upgrade the packaging and appearance of the product, create a new product, to implement an individual approach to each customer, to carry out temporary shares at a discount of about 30% of the length of not more than one week, or a gift or an extra bonus for the purchase of goods.
- The growth in taxes.
The solution - to change the cost structure, optimization of tax payments, the petition with respect to tax benefits, the project lobbying, that is, the alignment and the establishment of relations with public authorities, including the government, regional and local authorities.
- Rising prices for raw materials and transportation.
The solution - a willingness to lower net income, an increase in prices for own products, the search for alternative and cheaper ways.
- Deficit or lack of skilled labor.
The solution - to allocate funds for training, a formation of personnel reserve, purchase of technologies that do not require highly skilled workers.
- Raw material supply sources.
The solution - always have alternative sources of raw materials that can be used with supply problems. In this case, in the city of Karaganda, there are many wholesale depots for the purchase of raw materials.
- Obsolete equipment.
The solution - increase the cost of repairs and equipment upgrades, or buy new.
- Identification of new technologies.
The solution - increase the cost of their development.

12. Conclusion

The purpose of this work was to develop a plan on opening a bakery in the center of Karaganda with wholesome, healthy and fresh food at a competitive price to meet the demand of middle to high-income customers, and also using new technology shock frosts.

At the beginning of the writing of the thesis was considered the concept of a "business plan", its content and the basic characteristics of the business plan. In analyzing this information, can formulate the following conclusions:

1. A business plan is a component of strategic planning.
2. Business - planning is one of the most important aspects of any newly established or dynamically developing a commercial organization.
3. The value of a business plan is determined by the fact that it:
It makes it possible to determine the viability of the project in a competitive environment; it contains a landmark as the organization should develop; it serves as an important tool for financial support from external investors.
4. To realize the basic value of the business plan should analyze production plan, organizational plan, and a financial plan.

Also, basic and practical part of this thesis was focused on the development of a real business plan, promoting the opening of a bakery in the city of Karaganda. The analysis of the local market, market competition, catering market was conducted, also was analyzed the production and organizational plans, thanks to which the financial plan of the enterprise has been developed. In the financial part of the business plan was made the forecast balance In the financial part of the business plan was made the forecast balance for the 2017 year and projected earnings for 2018 and 2019 years.

In addition, an analysis of the risk assessment was conducted, which will possibly occur during the project. Having considered all the risks have been dismantled all their solutions.

Taking into account the market demand for this type of service, the high-quality characteristics of products that meet the standards of Kazakhstan, low, competitive prices, can assume that the company will not face serious difficulties in the implementation of the project.

Thus, based on the results of the research work, can conclude that the project of opening a bakery is a profitable investment and will be a great success. Overall, the project is economically viable.

The Bakery "Happiness" is financially stable enterprise, and in the future is capable of paying its debts to the bank from the funds received from the profits of the business, because the company plans to receive a steady income from activities.

14. Bibliography

1. Rhonda Abrams: «Successful Business Plan: Secrets & Strategies». Planning Shop; 5th ed. edition, 2010. ISBN: 978-1897286685
2. I.I.Ushakov: «Business Plan». Piter, 2009. ISBN-13: 978-5469005414
3. Brenna Pearce: “FabJob guide to become a bakery owner”. [Calgary]: FabJob, ©2010. ISBN:978-1897286685
4. Edward Blackwell: «How to Prepare a Business Plan». Kogan Page; 5 edition, 2011, ISBN:978-074946253
5. Chris Gattis: «Business Plan Template: How to Write a Business Plan, CreateSpace Independent Publishing Platform, 2011. ISBN: 978-1466424227
6. Sharon L Fullen: «How to Open a Financially Successful Bakery». Atlantic Publishing Group Inc.; unknown edition, 2004. ISBN: 978-0910627337.

Internet source

1. Uchebnik.online web-site. The structure of the business plan. [online]. [cit. 2016-09-16]. Available from: <http://ucebnik.online/biznes-planirovanie/struktura-biznes-plana-34069.html>
2. Risk24 web-site. Risks. Types of risks. [online]. [cit. 2016-09-16]. Available from: <http://www.risk24.ru/vidi.htm>
3. Grandars web-site. Business as an economic category. [online]. [cit.2016-09-17]. Available from: <http://www.grandars.ru/college/biznes/biznes.html>
4. Group-global web-site. Conditions, challenges and trends of the market catering in modern Kazakhstan. [online]. [cit.2017-01-26]. Available from: <http://group-global.org/ru/publication/49382-sostoyanie-problemy-i-tendencii-razvitiya-rynka-obshchestvennogo-pitaniya-v>
5. Studydoc web-site. The market in Kazakhstan. [online]. [cit.2017-01-26]. Available from: <http://studydoc.ru/doc/2752698/hleb-2015-01-08-rynok-v-kazahstane--516.2-kib->
6. Pekari web-site. Bakery project, equipment. [online]. [cit.2017-01-01]. Available from: https://www.pekari.ru/solutions/group_22390/
7. Investopedia. An Introduction to depreciation [online]. [cit.2017-02-15]. Available from: <http://www.investopedia.com/articles/fundamental/04/090804.asp>

List of figures

Figure 1: Changing the overall volume of the market of services for the provision of catering products in Kazakhstan during the period from 2004 to 2016.....	29
Figure 2: What bakery products you prefer more?.....	35
Figure 3: What are the criteria do you follow to buy bakery products?.....	35
Figure 4: How often do you buy bakery products?.....	36
Figure 5: How do you think whether enough of confectionery or bakery in Karaganda city?.....	37
Figure 6: Are you satisfied with the existing supply of confectionery products in your city?.....	37
Figure 7: How do you think whether the need to open a bakery open a bakery at the gas station, out of town or on the highway?.....	38
Figure 8: The organizational chart.....	43

List of table

Table 1: Menu.....	25
Table 2: Price.....	25
Table 3: Production.....	31
Table 4: The company “Karaganda-Nan”.....	32
Table 5: The company “Nan-Orion”.....	33
Table 6: The confectionery “Elita Vkusa”.....	33
Table 7: The confectionery “Angelina”.....	33
Table 8: The confectionery “Backerei”.....	33
Table 9: PEST analysis.....	39
Table 10: SWOT-analysis.....	40
Table 11: Personnel cost (monthly).....	41
Table 12: Calculation of social contributions for each employee from the budget of employer.....	42
Table 13: The calculation of the total area of the rooms.....	44
Table 14: Cost of equipment, tools, commercial furniture and other expenses.....	46
Table 15: Raw material.....	48
Table 16: Action Plan for the promotion of the project (monthly).....	48
Table 17: Cost (monthly).....	49
Table 18: Main characteristics of production.....	49
Table 19: The calculation of depreciation declining balance method.....	50

Table 20: Initial Investment.....	51
Table 21: Capital resources.....	51
Table 22: Balance sheet.....	52
Table 23: The calculation of the project for 2017 year.....	52
Table 24: Income statement.....	53
Table 25: Cash flow statement.....	54
Table 26: Net cash flow.....	54
Table 27: Cumulative net cash flow.....	55

15. Appendix



HAPPINESS

BAKERY
KARAGANDA

CAKES

Bourgeois	€1.20(€10)
Chocolate	€1(€9)
Red velvet	€1.45(€12)
Tiramisu	€1.30(€11)
Counts ruins	€1.20(€10)
Napoleon	€1.20(€10)
Biscuit	€1(€9)
Kyiv cake	€1.45(€12)
Prague	€1.45(€12)

PASTRIES

Pastry "Potato"	€1
Custard eclairs	€1
Bird's milk	€1.45
Brownie	€1.25
Bush	€1.10
Lemon pastry	€1

PIES

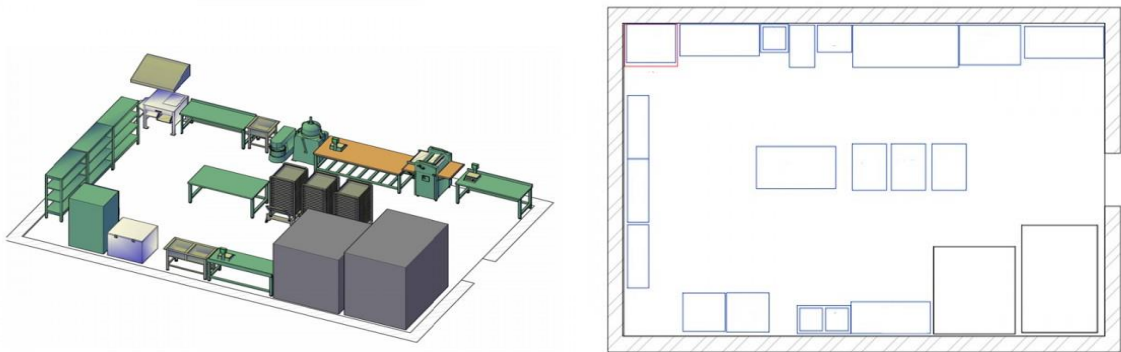
Cheesecake	€1
Apple pie	€1
Meat pie	€1
Vegetable pie	€1
Cherry pie	€1
Cottage cheese pie	€1

BREAD

Diet bread	€0.40
Brand bread	€0.35
Whole wheat bread	€0.43
Darnytskiy bread	€0.40
French bagette	€0.30
Breat with sesame seeds	€0.43

FOR INDIVIDUAL ORDERS.
CONTACT +7 701 123 657

Figure 1: Project plan of the kitchen



Online source: pekari.ru, https://www.pekari.ru/solutions/group_22390/

Figure 2: project plan of whole space



Source: The author

1. Bread showcase;
2. Cake showcase;
3. Commerce and cash register counter;
4. Showcase pastry vertical;
5. Table for customers;
6. Chair for customers;
7. Chair;
8. Desktop;
9. Filing cabinets;
10. Shower.