*Name of the report:* BUSINESS PROPOSAL

*Presented to:* Name of Instructor

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*Date of submission:* December 2, 2019

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# Business Proposal for homemade food

# **Introduction**

Food is one of the basic necessities of human beings. There have been a lot of food chains providing food items to people of the city. We have decided to provide homemade low priced food to the people of our community. There are other stalls as well which offer street food. We will have an edge in offering homemade food.

Our observation and analysis prompted us to think about starting such a business in our area.

The homemade food comes under the cottage food industry which includes goods produced within the bounds of a home. There has been an increased interest of people in this kind of foods. Since many regulatory restrictions have been loosened from homemade food, we have taken up an opportunity to start our own business (McDonald).

The report will include an analysis of expenses associated with a small food setup and the forecasted revenues associated with business. There will be no expansion in the first five years of operations so this report will not include any expansion plans.

The report will go along the lines of analysis of different business aspects. The location, marketing, financial needs, and human resource needs will be discussed, followed by some estimates of revenues and expenditures which will be incurred for the first few years of operations. The last section will conclude the discussion by providing some recommendations.

The business will be set up in the form of a sole proprietorship which will mean that there will be a single owner of this business. The business will apply for the federal tax identification number which has no fee associated with it. The business will be located in a busy street just outside of a large retail store so that there can be a large number of people passing by my business. The name of business will be “Taste-Inn” which will be registered with the relevant authorities and if this name is not available for the taking, ‘food like home” will be used.

## *Location*

The business will be initiated with an amount of $ 120,000 which will be provided by my family. The initial costs have been estimated to be $ 40000 which will be one-time in nature and will not repeat themselves. These will include the various startup expenses. Some major expenses are shown in the following table:

|  |  |
| --- | --- |
| **Items** | **Amounts** |
| Setting up a stall | $ 15000 |
| Insurance(per year) | $ 1200 |
| Rent to the store(1 year) | $ 18000 |
|  |  |

  In addition to the above costs, the business will have to comply with a certain number of regulatory payments both at the state and at federal level. The choice of location was prompted by the number of people approaching the particular place.

## *Marketing*

The marketing aspect of business will include product, price, place, and promotion. The business will provide homemade food at an economical price. Initially, there will be limited items on the menu so that the response of customers can be judged. These items will include burgers, sandwiches, and some baked items. There will be different varieties of burgers and sandwiches as well as baked items. A comprehensive marketing effort will mean that a large number of people will know about a particular business (B.Kenny and Dyson).

## *Price*

The business will charge a price lower than the competitors who are already working with selling similar products. The main aim of our business will be to maximize the volume of sale so that we can come up with a profit. Another option for our business may be to charge a competitive price which will mean that we will charge a price similar to our competitors. This will benefit our business if we are able to differentiate our products with the ones offered by them. There are some stalls close to the location selected by me which will mean that my business can benefit from a lower price.

## *Promotion*

Promotion plays an important role in communicating product characteristics to prospective and actual customers. A strong promotion plan will help us let the people know that the business is running. The business will use social media as the most important source of advertising because a majority of people use it nowadays. There will be a dedicated page for my business on face book. There will be a website which will also help the business to sell items within areas specified therein. Some printed brochures will be placed at prominent places in community so that people know about the business. The business will spend around $ 30000 per year on marketing and advertisement for the first 2 years. This will also include advertisements in some relevant magazines (P.Afford and Page).

There will be no human resource involved in the business as me and my brothers will suffice the initial requirements for my business. If the need arises, I will look into getting one helper for work.

## *Finance*

The initial finance will be provided by my family and I will not get to profitable operation for at least two initial years of operations. The expected revenue for business will be $ 33000 for the first year and $ 39000 for the second year. The following table shows an analysis of revenues and expenses. For the first two years, it will be $ 60000 and $ 55000 respectively. There will a gradual increase in the revenue and a gradual decrease in the expenses incurred by the business. The assets of company will include a bike for delivery to nearby areas, a mobile phone to take online orders and some other kitchen accessories. The business will aim to keep the variable expenses to a minimum because fixed expenses are those which have to be incurred whether we can sell anything or not. The annual statements pertaining to our business will be analyzed by a person who has done a relevant degree and the suggestions will be duly implemented.

# **Conclusions & Recommendations**

The first conclusion to the analysis is that the business will not be giving profit at least for the first two or three years. This time span will be managed by the capital provided by my family. The third year will bring in profits for the business because initial advertising expenses would have been incurred and customers will start to know about my business. The business will increase the sales to a level that will cover the variable expenses in the third year but for a comprehensive profitable position, we will have to wait for at least the fifth year of our operations.

The major recommendation is that the business should identify a specific social class and target them. In case of this business, the lower income people who are price sensitive will be targeted. The other recommendation is that the marketing focus should be social media so that a broad base of customers can be developed. In future, the business may consider launching an online application that can help customers order online directly from their phones.

# **Works Cited:**

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