

ShellyCakes

"Always a Sweet Treat"



Wedding cake Michelle made for her own wedding.
May 2008

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1. Executive Summary

1.1 Business

ShellyCakes is a confectionery company in Butte, Montana, that produces and sells high-end baked goods to retail and wholesale customers. We sell pre-made as well as made-to-order confections using local, Montana ingredients. The business also offers cake decorating classes from Wilton, the leading food crafting company in the industry.

1.2 Business Opportunity

In Butte and the greater Butte region, currently no high-end bakeries or locations that offer confectionary classes exist. This provides Butte with a unique experience and opportunity to add ShellyCakes to the market place. ShellyCakes will serve retail and decorating classes market of 33,000 potential customers and a wholesale market of a 15 restaurants, cafes, etc.

1.3 Competitive Strategy

ShellyCakes will be providing the Butte community with high-end baked products made from local supplies. ShellyCakes' customer value proposition is to provide individual and business customers in Butte with baking goods based on fine quality, supreme taste, and unique and original design, as well as decorating instructions. As a differentiated product and service provider, ShellyCakes will be positioned at a higher price point.

1.4 Economics of the Business

ShellyCakes founder will self-fund \$7,500 in seed capital. An additional \$30,000 investment will be sought from family and friends. A loan of \$25,000 will be obtained from a local Butte bank. The projected revenue by the end of the third year of operation is \$45,927. The loan will be paid off in full by Year 5. In Year 4, ShellyCakes may seek additional loans to expand from its original location into new markets.

1.5 Founder

Butte native, Michelle Schutten, is the founder of ShellyCakes. Michelle has extensive experience in the bakery industry having worked counter management and the pastry division at Bernice's Bakery in Missoula. She is also a Wilton Trained Cake Decorating Instructor and has taught over 125 students ranging from 5 to 95 years in age. She holds a Bachelor of Science degree in Finance from the University of Montana and is currently working toward her Master Degree in Curriculum and Instruction. Michelle prides herself on her supreme customer service and greeting everyone with a smile. With such immense experience and Butte connection, ShellyCakes is sure to gain traction in the community.

2. The Business



Gingerbread Mansion made for a fundraiser for the Ronald McDonald House.
Displayed at Southgate Mall in Missoula, Montana.
November – December 2009

2.1 Mission Statement

Our aim is to provide bring unique confectionary products and services to Butte and the greater community by retailing and wholesaling tasty treats and hosting treat design classes.

ShellyCakes is a confectionary company dedicated to providing high-quality desserts to a variety of customers. We concentrate on the high-end market of products as we maintain the focused differentiator strategic position in the food and education industries. Our products are priced higher and predicated on quality of inputs, exceptional flavor and taste, unique design and customer service. We maintain a friendly, creative, and fair working environment that welcomes diversity, hard work, and new ideas. We intend to generate profit to provide a fair return for our investors and to expand the business into other surrounding communities.

*"Thank you so much for taking the time to share your passion with us.
You are an incredible instructor."*

Juliette and Girl Scouts of Montana and Wyoming

2.2 General Company Description

ShellyCakes is a confectionery company in Butte, Montana, that sells high-end baked goods to retail and wholesale customers. The company also offers cake decorating classes from Wilton, the leading food crafting company in the industry.

ShellyCakes is founded by Michelle Schutten, an experienced baker, cake decorator, teacher, and business woman. Furthermore, Michelle is a Butte native and understands the target customers from her experiences. The company's competitiveness rests on the founder's experience, business skills, relationships, and enthusiasm.

Retail:

The retail portion of the business services walk-in customers Tuesday through Saturday from 10am until 6pm. The products offered at the retail location include cakes, cupcakes, cookies, pies, and beverages that either pre-made or made-to-order. In addition to providing high-quality products, our retail location will also serve as the venue for decorating classes.

Wholesale:

Our wholesale customers consist of cafes and coffee shops; restaurants and hotels; and the local Front Street Market. We are preferred channel providing cakes, cupcakes, cookies, and pies of their choice. Seasonally, we cater to country clubs, wedding planners, caterers, and other channels to take advantage of seasonal demands for confections.

Classes:

We offer more than just a cake decorating class– ShellyCakes classes represent an “experience”. Students are provided with practice time with the instructor, hands-on experience, basic understanding of the basics in baking and decorating, and design know-how. As a trained instructor, Michelle teaches *Discover Cake Decorating, Flowers and Borders, Fondant and Tiered Cakes*, and *Fondant and Gum Paste* courses. Other decorating and baking courses and kids classes will be offered seasonally.

2.3 Form of Incorporation

ShellyCakes is a Limited Liability Company (LLC) in order to blend characteristics of a corporation and sole proprietorship and take advantage of flow-through income taxation.

2.4 Products and Services

Retail:

ShellyCakes sells a wide range of high-quality cakes, cupcakes, pies, cookies and treats. Each item is made from scratch using all natural ingredients sourced from largely local suppliers. These supplies involve no preservatives to provide for high-end and “de-vine” flavor and taste. It is important that our items not only taste delicious, but also look appealing and attractive to the eye. Therefore, we add the extra little touch to every product, whether it be a sparkling sugar daisy on a chocolate cupcake or a buttery harvest leaf on a Thanksgiving pumpkin pie. These extra touches are added to enhance the elegant experience for our customers. Customers may purchase pre-made or made-to-order products.

ShellyCakes specializes in fine desserts coupled with exceptional customer service in a comforting atmosphere. Our location is designed in a way that customers are able to enjoy a setting that is as pleasant as the product they are consuming. Customers may also delight in our product by taking it to-go or have it delivered for a nominal fee.

For a complete listing of products, please refer to Appendix 4.4.

Wholesale:

The products that our wholesale customers order are of very high quality. Just as with the retail portion of the business, the products in the wholesale are made with quality ingredients and properly prepared. While a few of products will be the same at the retail and wholesale locations, certain items will be specifically made for particular wholesalers depending on customer orders.

ShellyCakes manages delivery to wholesale customers.

Classes:

The students that take Wilton Method Cake Decorating Courses at ShellyCakes are provided with engaging, exciting, and authentic experiences. Michelle, a trained Wilton Instructor, teaches students the very basics of how to frost a cake in *Discover Cake Decorating* to making edible, yet delicate carnations in *Fondant and Gum Paste*. During the first few years of operation, Wilton Method Classes are the only classes taught. As the business grows, unique, specialized classes are offered covering baking techniques and more advanced sugar and pastry classes.

For a complete description of each course offered, please refer to Appendix 4.5.

"You are a breath of fresh air! I enjoyed your excitement and eagerness to experience the refreshed curriculum. If all Wilton Method Instructors were delightful as you are, Wilton would have a wait list on all classes!

Thanks being you!"

Fran Tripp, Certified Trainer, Wilton Brands, Inc.

2.5 Industry Analysis

The Food Network and other television networks have developed eye catching programs such as *Ace of Cakes*, *The Ultimate Cake Off*, and *Wedding Cake Competition*, to name a few. *Cake Boss*, a program on TLC, has an average of 2.4 million viewers per episode and is the number one food show on cable for channels P18-34 and W18-34. The word is out; Americans love cake and cake shows. To take advantage of this trend, ShellyCakes will offer both products and services geared towards the high-end confectionary "experience". ShellyCakes is the outlet for people in Butte and surrounding areas that have become hooked to these television shows.

2.6 Market Analysis

ShellyCakes focuses sales in Butte with a population estimated by the U.S. Census Bureau to be 32,803 in 2008. During the first four years of operation, the company plans to sell to immediate additional markets in Anaconda and Whitehall, Montana, increasing the market size to approximately 57,000. In doing so, the company will partner with local businesses in those communities to sell ShellyCakes product and to teach local cake decorating classes.

2.7 Customer Analysis

Retail:

The market segmentation for the retail is divided into two psychological groups: Celebrators and Soccer Moms. The groups represent people sharing similar behavioral patterns and reasons for supporting ShellyCakes. These groups purchase either pre-made or made-to-order products.

Celebrators are people that have reasons to do just that, celebrate! Birthdays, anniversaries, graduation, Valentine's Day, and Christmas are just a few of the many holidays or special occasions that families and loved ones choose to celebrate with ShellyCakes. This market encompasses a variety of people including the young, middle aged, and old, and both men and women.

Soccer Moms encompasses not just moms, but all family members. ShellyCakes serves as a place where families feel both welcome and comfortable. Kids come to enjoy with after school milk and cookies while Mom treats herself to a more elegant dessert. Or "Moms" can meet up with friends to enjoy a baked good and enjoy relaxation in the midst of a busy day. Either way, these Moms wish to expose their children to the homemade treats they had growing up.

Wholesale:

Our wholesale customers will be successful businesses in the food industry. We will focus our attention on the following customers and then expand to a broader list as the company grows. ShellyCakes will be the preferred channel of confections to our wholesale customers.

Cafes and Coffee Shops	Restaurants and Hotels	Market
Broadway Café	Acoma	Front Street Market
Columbia Garden Espresso	Derby	
Hummingbird Café	Fred's Mesquite	
Jailhouse Coffee	Land of Magic	
Park Street Java Café	Lydia's	
Venus Rising	War Bonnet Inn	
Wetona's Coffee House	Copper King Mansion	

In addition, ShellyCakes focuses on seasonal wholesale customers. The seasons include summer weddings, holidays, and other such seasonal celebrations. The seasonal customers include photographers, caterers, wedding planners, etc.

Classes:

Since 1975, more than 4,000,000 people have taken Wilton courses. During the past 5 years, Wilton has gathered extensive market research defining who the customers are and developing a refreshed curriculum to meet the wants and needs of the customer base.

According to Wilton market research, "Our overall market is women (usually moms) with at least one child under six in the family. Grand moms and aunts are an important addition when there's a child under six in the family. Typically our core customer is a mom, who is 22-44 years old, suburban, college educated, works outside the home, has 2 kids (one under 10 and one under 3). There also is an older consumer who is 'returning' to food crafting. She wants the same things as the moms, but her affection and attention is directed toward grandchildren, nieces, nephews, and children of close friends."

2.8 Competitor Analysis

Retail and Wholesale:

Nationwide supermarket chains dominate the baked goods market in Butte. These grocery stores include Safeway (two locations), Albertson's and Walmart. Locally owned and operated Eastgate IGA is also represented in this competition category. The quality of baked goods in these retail stores is poor. The products are often mass produced at an outside location and simply baked in the actual store. The ingredients are processed, thus lowering the quality and taste of the product in order to sell the item for a low cost.

Town Talk Bakery is a locally owned bakery in Butte that specializes in donuts. Cakes and other treats are also sold at this location, but are not made with high quality ingredients. The cake choices are very limited (chocolate or vanilla) and the icing is made with shortening. Again, low quality for a low cost.

Great Harvest Bread Company and Perkins serve as a competition because of the cookies and other small treats that are sold in their bakeries. These largely undifferentiated confections are only a small portion of their businesses and therefore would not act as a large threat.

The Uptown Café would also be our competitor in the bakery arena. The primary focus of the restaurant is high quality and expensive meals. On the side, The Uptown Café occasionally produces and sells wedding cakes and other desserts. ShellyCakes eventually intends to be a supplier to Uptown Café.

ShellyCakes is set apart from the competition in four main ways.

- In an era when food is becoming chemistry, ShellyCakes will focus on raw, natural, and sometimes organic and local ingredients to create its product. Thus, our products taste better and are better for you.
- Each of our products contains extra detail to set it apart from the competition. We ensure that our products appeal to the eye as well as to the stomach.
- The sky is the limit when developing a pastry design. We will cater to the wants and needs of our customers in every way possible. When customers want detailed or shaped cakes, we will match the picture or the design that they provide. (See example of Millennium Falcon cake on Executive Summary cover page.)
- Customer service is our number one priority. We will ensure that each customer is treated with kindness, respect, and a warm welcome on each visit to ShellyCakes.

Please refer to Appendix 4.1 for the Generic Strategy.

Classes:

There are no other cake decorating, baking, or food classes offered in Silver Bow County. Therefore, our competition in this arena of ShellyCakes would be indirect though the hobby market. Such indirect competition includes sewing classes offered at the local quilting shops and also community education classes offered through the Butte School District. Other activities such as theater, music, and the outdoors could potentially be competition.

Wilton Method Cake Decorating Classes are offered at a variety of retail stores. Butte does not contain any of these stores (Michaels, Hobby Lobby, etc.). Butte, however, does contain a JoAnn's Fabric and Craft Store, but it is not large enough to be considered a superstore and therefore does not offer classes of any type. Candi LoPresti, Wilton Marketing Director of JoAnn's, does not foresee expansion of the store.

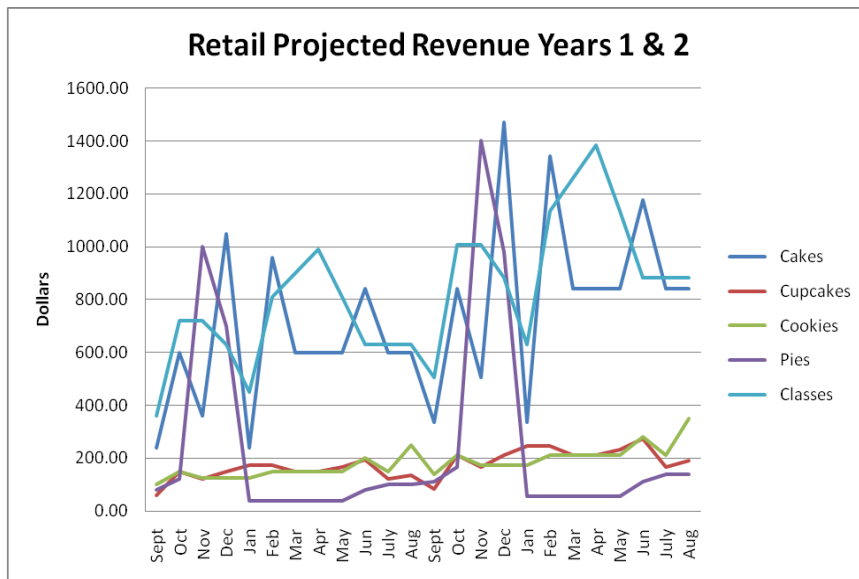
*"Thank you, Michelle, for your patience and enthusiasm. You have a smile that comes from within. If there are successes, it is because of your ability to communicate with such enthusiasm and patience. Thank you so much for the wonderful experience. You were such a blessing."
Lorraine M, Student*

2.9 Marketing Strategy

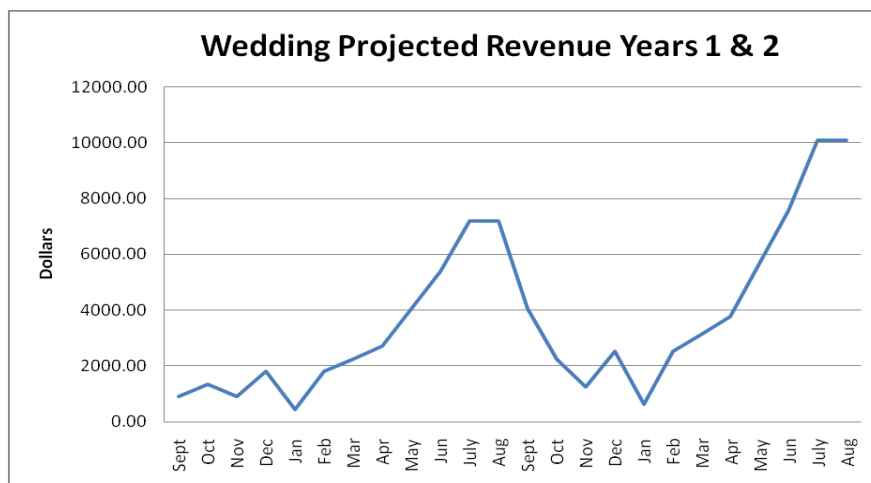
2.9.1 Product/Service Strategy

The Butte Silver Bow Community is notorious for supporting local businesses. Therefore, ShellyCakes focuses on using Montana ingredients whenever possible to encourage this localization. Employees are trained in a customer focused manner and to be very knowledgeable of our entire selection of goods and services.

The bakery business is extremely seasonal. Various products are sold in greater volumes depending on the season or nearing holiday. For example, the pie sales are rather low throughout the year except during the holiday seasons of Thanksgiving and Christmas. Weddings are also exemplify the seasonality of the business as most weddings occur during the summer months. In order to offset this extreme seasonality, ShellyCakes offers a wide variety of products and focuses not only on seasonal celebrations, but also events that happen year round such as birthdays and anniversaries. In addition, the cake decorating classes will be offered year round and are not as affected by the time of year.



Above graph does not include wedding revenue.



Please refer to Section 3.5 for the projected sales.

2.9.2 Pricing Strategy

Due to the high quality of ingredients, made from scratch products, and carefully and at times customized decorated goods, the pricing at ShellyCakes will be higher than that of the typical grocery store bakery. The table below illustrates the initial mark-up of the bakery products based on the cost of goods sold. Depending on the detail of special orders, the margin may increase for that specific item.

Item	Margin
Cookies	3x
Cakes	4x
Cupcakes	4x
Pies	4x
Wedding Cakes	5x
Beverages	5x

The classes are priced at \$45 for eight hours of instruction. This price aligns with the class price that JoAnn's retail store charges in the neighboring community, Missoula, Montana.

Please refer to Section 3.4 for complete pricing details.

*"My daughter said that your cupcakes are the **best she has had in her life.**"*
Amber, customer

2.9.3 Suppliers and Distribution Strategies

In order to support Montana businesses, it is important that we purchase ingredients grown in Montana whenever possible. We solely use Wheat Montana for our flour as well as Montana dairies for our dairy products. Other ingredients are purchased and delivered from Butte Produce, a local food distributor.

The products are distributed in various ways. The retail products may be picked up at the retail location by the customer or delivered for a nominal fee. The wholesale products will be delivered to the wholesale locations with the fee included in the product pricing. Lastly, customers will come to the retail location for the classes.

2.9.4 Advertising and Promotion Strategies

Word of mouth and public perception are immensely important in both aspects of the business. First of all, customers must understand that our products are made with quality ingredients and thus taste better than many of our competitors. The word of mouth will be created when someone experiences for example, a cake at a party. The cake will be enjoyed by many and thus the word of mouth seed for the bakery aspect of the portion will be created. Word of mouth for the classes will be spread by people that had previously taken a class. According to Wilton's market study, 97% of class participants say they'd recommend the classes to a friend which provides a strong motivation to sign up. The former students will spread word of mouth in two ways: expressing the enjoyment of the class and encouraging others to take the class, and also developing a trust and relationship with ShellyCakes and therefore recommending the business to others.

The Montana Standard, southwest Montana's daily newspaper, typically offers new local businesses free, front-page publicity in order to encourage readers to buy locally. This free advertisement will provide ShellyCakes with a jump-start in business. In addition, several times a month ShellyCakes will place a ad in the paper. These ads will be strategically placed in areas such as the engagement and wedding page during the wedding season.

A well laid out and user friendly web page is important for the growth ShellyCakes. The site will include detailed descriptions of the products, photos of goods, a description of the company and its philosophy, and contact information to raise awareness of ShellyCakes. In addition, the website will include information on the upcoming classes offered with detailed descriptions of each class and photos of cakes that previous students have made.

Because Butte is notorious for supporting local businesses, ShellyCakes will advertise in cooperation with other businesses. In doing so, we will recommend our partnering businesses to customers and vice versa. Specifically, we will partner with wedding planners, photographers, and caterers in the bridal industry where the profit margins are high.

Our wholesale customers will be promoting and advertising our product brand in order to develop further business for themselves. The advertisement will occur in their store through their menu, display case, ShellyCakes logo, etc. Also, when our wholesale customers advertise publicly, it is to their advantage and ours to mention that they sell ShellyCakes products.

Please refer to Appendix 4.2 for the Value System.

"The cake was beautiful on Sunday, thank you. You did a wonderful job creating those cute little dolls and teddies on the cake, my friends were so impressed with your talent. Not to mention the cake was delicious. I actually saved some to freeze and eat at the baby's first birthday. You helped make the shower so special."
Maria, customer

2.10 Management

Michelle Schutten is the owner of ShellyCakes. She is highly educated with a Bachelor's degree in Finance from the University of Montana, with an concentration in Entrepreneurship. She is currently working toward her Master's degree in Curriculum and Instruction.

Michelle has experience working for the well known, locally Missoula-owned Bernice's Bakery. While working there, she was exposed to various aspects of the business such as baking and counter management. She acquired skills at Bernice's that are transferable to the start-up of ShellyCakes.

Michelle is also a trained Wilton Cake Decorating Instructor and has instructed over 125 students varying from 5 to 95 years in age. She is currently an independent contractor of Wilton working for JoAnn Fabric and Craft in Missoula, Montana.

Michelle's hard skills of bakery and business knowledge, as well as her soft skills of stellar customer service and communication, will be of great asset to ShellyCakes.

In order to gain further expertise in the bakery industry, ShellyCakes will form an advisory board of industry professionals and community members, to assist in the start-up of ShellyCakes. The advisory board will be developed through Michelle's extensive connection of successful Butte professionals. The board will provide ShellyCakes with advice, guidance, and general business knowledge. In addition, ShellyCakes will seek out advice from others willing to share.

Please refer to Appendix 4.6 for Michelle's complete resume.

2.11 Key Personnel

During the first two months of operation, Michelle will be the only employee of ShellyCakes.

Beginning November of the first year, an additional employee will be added in order to meet the needs to the busy holiday season. A third employee will join the team just before the wedding cake season in June of the second year. Each of the employees will be paid on an hourly basis.

Please refer to Section 3.4 for detailed labor costs.

*"Thanks again for the cupcakes – they disappeared last night
into our tummies. Yummy!"
Mike, customer*

2.12 Location of the Business



We are provided with a very unique opportunity regarding the business site. The location, 2000 Farragut Avenue in downtown Butte, Montana, was previously a local donut shop and bakery until the recent retirement of the owner. The building, therefore, has a reputation of being a local bakery, which will assist in generating revenue in the starting months of business.

The lot size of the location is 100 by 120 feet, with the 2,700 square foot building. It is conveniently located downtown at the intersection of Cobban and Farragut, two moderately busy streets.

In addition to the reputation of the the bakery building, the site is also furnished with the large second-hand equipment needed the operation of ShellyCakes. Therefore, it is unnecessary to purchase the large and expensive machinery.

The following equipment is included in the lease of the property.

Type	Items
Heavy-Duty Machinery	Large mixers (2) Small mixers (2), Automatic dough roller, and Dough sectional cutter
Built-In	Pizza style oven, Refrigeration compartments, Freezer, Flour storage containers, Fryer, Range, and Display cases
Other Equipment	Cooling racks (rolling), Commercial coffee maker, Muffin tins, and Baking sheets
Specialty	Cake pans (various shapes and sizes), Turn tables, Cookie cutters, Pie tins, and Cake decorating tools



"I know you must be a great instructor and that the students must love you. Your enthusiasm is catching!"
Katrina Dodd, Assistant Class Marketing Manager, Wilton Brands, Inc.

2.13 Application and Expected Effect of Capital

The founder of ShellyCakes will contribute \$7,500 in seed capital. This amount will assist in the purchase of the used delivery van. An additional \$30,000 investment will be sought from family and friends. The primary use of this capital injection will be to renovate the building, repair used machinery, and purchase additional uses for the building. A 5 year loan of \$25,000 will be obtained from a local Butte bank in order to begin operations of the business. The loan will be paid back in full by Year X. In Year Y, ShellyCakes may seek out additional loans in efforts to expand the business to new locations.

3. *Financíal*



Cookie Bouquet Class Display ~ March 2010



Star Wars' Millennium Falcon Cake ~ May 2009

"Michelle made me an amazing fondant sculpted cake.
It was the finest tasting and by far greatest looking cake I have ever had.

Best cake ever."

Elizabeth, Customer

3.1 Sources and Uses of Funds:

Sources:

Personal Investment	\$7,500
Family and Friends Investment	\$30,000
Butte Local Development Corp Loan	\$25,000

Total Sources	\$62,500
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Uses:

Renovations	\$8,000
POS system	\$2,600
Signage	\$2,050
Tables and Chairs	\$1,000
Lease Down Payment	\$9,900
Delivery Van	\$10,000
Equipment repairs	\$1,750
Professional and Legal	\$1,000
Cash for operations	\$26,200

Total Uses	\$62,500
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3.2 Capital Assets

Signage*	\$2,050
POS system**	\$2,600
Tables and Chairs***	\$1,000
Delivery Van***	\$10,000
Total	\$15,650

* from www.interiortech.com

** from www.posnation.com

*** best estimate based on research

3.3 Break Even Analysis

Break Even Sales = Fixed Costs – Gross Margin
Excluding beverages, weddings, and classes.

Averaged monthly fixed costs: \$6,000

Average retail and wholesale prices of each unit: \$17.51

Average COGS: \$4.88

Break Even Unit = 475

3.4 Financial Assumptions

Sales:

Income generated from retail and classes is paid the month delivered.

50% of wholesale revenues are received the month prior and 50% are collected on delivery.

25% of wedding revenues are received the month prior and 75% are collected on delivery.

Please refer to forecasted sales, section 3.5.

Cost of Goods Sold:

Based on markup of forecasted sales

Markup on retail products:

Cakes 4x

Cupcakes 4x

Cookies 3x

Pies 4x

Beverages: 5x

Wedding Cakes 5x

Please refer to forecasted sales, section 3.5.

Labor Costs:

The following table represents labor costs of September and October of the first year.

Title	Number of Employees	Wage	Taxes	Hours	Wage Cost	Tax Cost	Monthly Cost
Owner/Manager	1	\$12.50	\$0.94	160	\$2,000	\$150	\$2,150

The following table represents labor expenses from November the first year until May the second year.

Title	Number of Employees	Wage	Taxes	Hours	Wage Cost	Tax Cost	Monthly Cost
Owner/Manager	1	\$12.50	\$0.94	160	\$2,000	\$150	\$2,150
Delivery/baker	1	\$10.00	\$0.75	160	\$1,600	\$120	\$1,720
Totals					\$3,600	\$270	\$3,870

The following table represents labor expenses with the additional seasonal baker starting in June of year two.

Title	Number of Employees	Wage	Taxes	Hours	Wage Cost	Tax Cost	Monthly Cost
Owner/Manager	1	\$12.50	\$0.94	160	\$2,000	\$150	\$2,150
Delivery/baker	1	\$10.00	\$0.75	160	\$1,600	\$120	\$1,720
Baker	1	\$10.00	\$0.75	120	\$1,200	\$90	\$1,290
Totals					\$4,800	\$360	\$5,160

Taxes based on 7.5% of wage.

No benefits will be offered to our employees at this time.

Depreciation Schedule:

Used van

Book Value at Beginning of year	Depreciation Expense	Accumulated Depreciation	Book Value at End of Year
\$10000 (original cost)	\$1,600	\$1,600	\$8,400
\$8,000	\$1,600	\$3,200	\$6,800
\$6,500	\$1,600	\$4,800	\$5,200
\$5,000	\$1,600	\$6,400	\$3,600
\$3,500	\$1,600	\$8,000	\$2000 (salvage value)

Equipment and Furniture will not be depreciated.

Advertising Expense:

Seasonal

Professional:

Start-up legal and professional costs are outlined in the sources and uses, section 3.1.

Bimonthly fee for outsourcing bookkeeper is \$20.00 per hour.

Annual food preparers license (license F6) paid annually in September.

Bimonthly Bookkeeping Fee	\$40
Food Preparers License	\$115

Insurance:

General Liability covering \$1,000,000.

Auto liability covering \$1,000,000.

	Monthly	Yearly
General Liability for one employee	\$120.61	\$1,447.30
Auto	\$69.67	\$836.00
Total	\$190.28	\$2,283.30

Workers' compensation insurance based on bakery code rate of \$4.88/\$100. Insurance for employees only, not owner.

Rates provided by Danny Blowers, Farmers Insurance Agent, Missoula, MT.

Store Expenses:

Type	Monthly Cost
Register Tape	\$5
Cake Boxes	\$15
Cake Boards	\$10
Office Supplies	\$15
Bakery Supplies	\$25
Misc.	\$15
Total	\$85

Lease:

\$1,650 per month. Includes sewer and garbage.

Utilities:

Rates based on average for building provided by realtor.

During the Fall, Winter and Spring, the ovens will heat the building and therefore the utilities are less; During the summer months, the utilities are increased due to air conditioning costs.

Garbage and sewer included in lease.

Miscellaneous:

To account for small items that may have been missed in the above assumptions including gas for the delivery vehicle.

Misc.	\$40
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Interest:

We will be obtaining a small business loan from Butte Community Bank. The \$25,000 loan will be at 6.25% interest payable over five years. The monthly payment is \$497.94.

3.5 Sales Forecast**Sales Forecast Retail, Weddings, and Classes: Year 1**

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Year 1
Cakes	8	20	12	35	8	32	20	20	20	28	20	20	243
Cupcakes	24	60	48	60	70	70	60	60	66	78	48	54	698
Cookies	80	120	100	100	100	120	120	120	120	160	120	200	1460
Pies	4	6	50	35	2	2	2	2	2	4	5	5	119
Beverages	77	163	257	324	93	212	150	150	153	210	155	174	2118
Weddings	2	3	2	4	1	4	5	6	9	12	16	16	80
Classes	8	16	16	14	10	18	20	22	18	14	14	14	184

Average Product Pricing			
	retail	wholesale	COGS
6 in	\$25.00	\$20.00	\$6.25
8 in	\$30.00	\$24.00	\$7.50
10 in	\$40.00	\$32.00	\$10.00
cupcakes	\$2.50	\$2.00	\$0.63
cookies	\$1.25	\$1.00	\$0.42
pies	\$20.00	\$16.00	\$5.00
beverages	\$1.25	n/a	\$0.25
wedding	\$450.00	n/a	\$90.00
classes	\$45.00	n/a	\$2.00

Beverages sales forecast is 20% of the sum of other retail sales.
Increase retail sales by 40% in second year

Weddings:

The average price for a wedding cake is \$450 in Butte.

Sales are highly seasonal.

September sales in second year increase to 9 cakes; October 5 cakes

2nd year (excluding September and October) increase sales by 40%

Classes:

Seasonality based on Michelle's experience in the cake decorating class industry.

2nd year increase class enrollment by 40%

Cafés and Coffee Shops:

Base Café and Coffee Shop Sales			
Item	Quantity	Revenue	COGS
8 in. Cake	1	\$24.00	\$7.50
Cupcakes	25	\$50.00	\$15.63
Cookies	30	\$30.00	\$12.50
Weekly Total		\$104.00	\$35.63
Monthly Total		\$416.00	\$142.50

Add a wholesale café or coffee shop during the following months: September, December, March, and April.

2nd year add 1 more client in October. Increase sales of existing clients by 40%

Restaurants and Hotels:

Base Restaurant Sales			
Item	Quantity	Revenue	COGS
10 in. cake	3	\$96.00	\$30.00
Weekly Total		\$96.00	\$30.00
Monthly Total		\$384.00	\$120.00

Add wholesale restaurant the following months: October, January, April, and June
2nd year add 1 more client in November and increase sales of existing clients by 40%.

Markets:

Base Market Sales			
Item	Quantity	Revenue	COGS
6 in. cake	2	\$40.00	\$12.50
8 in. cake	2	\$48.00	\$15.00
Cupcakes	10	\$20.00	\$6.25
Cookies	20	\$20.00	\$8.33
Weekly Total		\$128.00	\$42.08
Monthly Total		\$512.00	\$168.33

Add wholesale market in September.

Increase sales by 5% each month for the first year
2nd year increase sales by 2.5% per month.

The following financial statements, which have not been audited or reviewed by an independent CPA, provide detailed financial projects for the first three years of operations for ShellyCakes. These projections are based on best estimates of future financial performance.

Sales Revenue Year 1

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Yearly
Retail													
Cakes	240.00	600.00	360.00	1050.00	240.00	960.00	600.00	600.00	600.00	840.00	600.00	600.00	7290.00
Cupcakes	60.00	150.00	120.00	150.00	175.00	175.00	150.00	150.00	165.00	195.00	120.00	135.00	1745.00
Cookies	100.00	150.00	125.00	125.00	125.00	150.00	150.00	150.00	150.00	200.00	150.00	250.00	1825.00
Pies	80.00	120.00	1000.00	700.00	40.00	40.00	40.00	40.00	40.00	80.00	100.00	100.00	2380.00
Beverages	96.00	204.00	321.00	405.00	116.00	265.00	188.00	188.00	191.00	263.00	194.00	217.00	2648.00
WholeSale													
Cafes	416.00	416.00	416.00	832.00	832.00	832.00	1248.00	1664.00	1664.00	1664.00	1664.00	1664.00	13312.00
Restaurants	0.00	384.00	384.00	384.00	768.00	768.00	768.00	1152.00	1152.00	1536.00	1536.00	1536.00	10368.00
Market	512.00	537.60	564.48	592.70	622.34	653.46	686.13	720.44	756.46	794.28	833.99	875.69	8149.57
Weddings	900.00	1350.00	900.00	1800.00	450.00	1800.00	2250.00	2700.00	4050.00	5400.00	7200.00	7200.00	36000.00
Classes	360.00	720.00	720.00	630.00	450.00	810.00	900.00	990.00	810.00	630.00	630.00	630.00	8280.00
Total Revenue	2764.00	4631.60	4910.48	6668.70	3818.34	6453.46	6980.13	8354.44	9578.46	11602.28	13027.99	13207.69	91997.57

Sales Revenue Year 2

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Year 2 Total
Retail													
Cakes	336.00	840.00	504.00	1470.00	336.00	1344.00	840.00	840.00	840.00	1176.00	840.00	840.00	10206.00
Cupcakes	84.00	210.00	168.00	210.00	245.00	245.00	210.00	210.00	231.00	273.00	168.00	189.00	2443.00
Cookies	140.00	210.00	175.00	175.00	175.00	210.00	210.00	210.00	210.00	280.00	210.00	350.00	2555.00
Pies	112.00	168.00	1400.00	980.00	56.00	56.00	56.00	56.00	56.00	112.00	140.00	140.00	3332.00
Beverages	134.40	285.60	449.40	567.00	162.40	371.00	263.20	263.20	267.40	368.20	271.60	303.80	3707.20
WholeSale													
Cafes	2329.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	2745.60	32531.20
Restaurants	2150.40	2150.40	2534.40	2534.40	2534.40	2534.40	2534.40	2534.40	2534.40	2534.40	2534.40	2534.40	29644.80
Market	897.59	920.03	943.03	966.60	990.77	1015.54	1040.92	1066.95	1093.62	1120.96	1148.99	1177.71	12382.70
Weddings	4050.00	2250.00	1260.00	2520.00	630.00	2520.00	3150.00	3780.00	5670.00	7560.00	10080.00	10080.00	53550.00
Classes	504.00	1008.00	1008.00	882.00	630.00	1134.00	1260.00	1386.00	1134.00	882.00	882.00	882.00	11592.00
Total Revenue	10737.99	10787.63	11187.43	13050.60	8505.17	12175.54	12310.12	13092.15	14782.02	17052.16	19020.59	19242.51	161943.90

Please note that this is the revenue created from the sales of the month, not the amount received.

3.6 Balance Sheets

Balance Sheet - Year 1

Assets	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
<i>Current Assets</i>												
Cash & Cash Equivalents	\$45,176	\$43,819	\$42,657	\$40,197	\$38,578	\$36,059	\$37,427	\$37,337	\$41,056	\$44,213	\$50,343	\$54,058
Inventory	\$654	\$1,050	\$1,136	\$1,586	\$1,018	\$1,533	\$1,668	\$2,036	\$2,314	\$2,817	\$3,086	\$3,141
Total Current Assets	\$45,830	\$44,869	\$43,793	\$41,782	\$39,596	\$37,592	\$39,095	\$39,373	\$43,370	\$47,030	\$53,429	\$57,199
<i>Long-Term Assets</i>												
Equipment	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650	\$15,650
Less Accumulated Depreciation	\$133	\$267	\$400	\$533	\$667	\$800	\$933	\$1,067	\$1,200	\$1,333	\$1,467	\$1,600
Total Long Term Assets	\$15,517	\$15,383	\$15,250	\$15,117	\$14,983	\$14,850	\$14,717	\$14,583	\$14,450	\$14,317	\$14,183	\$14,050
Total Assets	\$61,347	\$60,252	\$59,043	\$56,899	\$54,579	\$52,442	\$53,812	\$53,956	\$57,820	\$61,347	\$67,612	\$71,249
Liabilities												
<i>Current Liabilities</i>												
Accounts Payable	\$654	\$1,050	\$1,136	\$1,586	\$1,018	\$1,533	\$1,668	\$2,036	\$2,314	\$2,817	\$3,086	\$3,141
Current Portion Long-Term Debt	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835	\$5,835
Total Current Liabilities	\$6,489	\$6,884	\$6,971	\$7,420	\$6,853	\$7,367	\$7,503	\$7,871	\$8,149	\$8,652	\$8,921	\$8,976
<i>Long-Term Liabilities</i>												
Loans Payable	\$22,856	\$22,370	\$21,883	\$21,397	\$20,911	\$20,425	\$19,938	\$19,452	\$18,966	\$18,480	\$17,994	\$17,507
Total Long Term Liabilities	\$22,856	\$22,370	\$21,883	\$21,397	\$20,911	\$20,425	\$19,938	\$19,452	\$18,966	\$18,480	\$17,994	\$17,507
Total Liabilities	\$29,345	\$29,254	\$28,854	\$28,817	\$27,764	\$27,792	\$27,441	\$27,323	\$27,115	\$27,132	\$26,914	\$26,483
Equity												
Capital Stock	\$34,330	\$34,885	\$36,733	\$36,590	\$38,846	\$38,386	\$41,236	\$41,835	\$45,087	\$46,298	\$49,706	\$50,771
Earnings	-\$2,328	-\$3,887	-\$6,544	-\$8,509	-\$12,031	-\$13,736	-\$14,866	-\$15,202	-\$14,381	-\$12,082	-\$9,008	-\$6,005
Total Equity	\$32,002	\$30,998	\$30,189	\$28,081	\$26,815	\$24,650	\$26,370	\$26,633	\$30,705	\$34,215	\$40,698	\$44,766
Total Liabilities & Equity	\$61,347	\$60,252	\$59,043	\$56,899	\$54,579	\$52,442	\$53,812	\$53,956	\$57,820	\$61,347	\$67,612	\$71,249

Balance Sheet - Years 1, 2, & 3

Assets	Year 1	Year 2	Year 3
<i>Current Assets</i>			
Cash & Cash Equivalents	\$54,058	\$73,739	\$103,167
Inventory	\$3,141	\$4,645	\$5,573
Total Current Assets	\$57,199	\$78,383	\$108,740
<i>Long-Term Assets</i>			
Equipment	\$15,650	\$15,650	\$15,650
Less Accumulated Depreciation	\$1,600	\$1,600	\$1,600
Total Long Term Assets	\$14,050	\$17,250	\$17,250
Total Assets	\$71,249	\$95,633	\$125,990
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	\$3,141	\$4,645	\$5,573
Current Portion of LTD	\$5,835	\$5,835	\$5,835
Total Current Liabilities	\$8,976	\$10,479	\$11,408
<i>Long-Term Liabilities</i>			
Loans Payable	\$17,507	\$11,673	\$5,838
Total Long Term Liabilities	\$17,507	\$11,673	\$5,838
Total Liabilities	\$26,483	\$22,152	\$17,246
Equity			
Capital Stock	\$41,763	\$39,065	\$62,817
Earnings	\$3,003	\$34,417	\$45,927
Total Equity	\$44,766	\$73,481	\$108,744
Total Liabilities & Equity	\$71,249	\$95,633	\$125,990

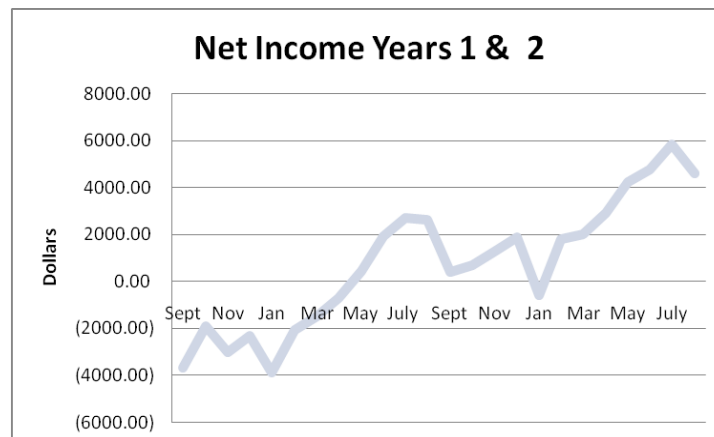
3.7 Pro Forma Income Statements

Pro Forma Income Statement Year 1

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Year 1 Total
Sales Revenue	\$3,770	\$4,533	\$5,358	\$6,538	\$4,171	\$6,790	\$7,510	\$8,710	\$10,127	\$12,072	\$13,049	\$13,071	\$95,699
Cost of Goods Sold	\$654	\$1,050	\$1,136	\$1,586	\$1,018	\$1,533	\$1,668	\$2,036	\$2,314	\$2,817	\$3,086	\$3,141	\$22,039
Gross Profit	\$3,116	\$3,483	\$4,222	\$4,952	\$3,153	\$5,258	\$5,842	\$6,674	\$7,813	\$9,255	\$9,963	\$9,930	\$73,660
Gross Profit % of revenue	82.6%	76.8%	78.8%	75.7%	75.6%	77.4%	77.8%	76.6%	77.1%	76.7%	76.4%	76.0%	77.0%
SGA Expenses													
Labor	\$2,150	\$2,150	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$3,870	\$42,999
Depreciation	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$1,600
Advertising	\$400	\$100	\$200	\$200	\$100	\$300	\$300	\$300	\$300	\$200	\$100	\$100	\$2,600
Legal and Professional Fees	\$115	\$40	\$0	\$40	\$0	\$40	\$0	\$40	\$0	\$40	\$0	\$40	\$355
Insurance	\$190	\$190	\$274	\$274	\$274	\$274	\$274	\$274	\$274	\$274	\$274	\$274	\$3,123
Store Expenses	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$1,020
Lease	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$19,800
Utilities	\$550	\$525	\$500	\$500	\$400	\$450	\$500	\$500	\$525	\$550	\$625	\$625	\$6,250
Miscellaneous	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$480
Total G & A Expenses	\$5,314	\$4,914	\$6,752	\$6,792	\$6,552	\$6,842	\$6,852	\$6,892	\$6,877	\$6,842	\$6,777	\$6,817	\$78,227
Earnings from Operations	(\$2,198)	(\$1,431)	(\$2,531)	(\$1,840)	(\$3,399)	(\$1,585)	(\$1,011)	(\$218)	\$935	\$2,413	\$3,185	\$3,112	(\$4,567)
Interest Expenses	\$130	\$128	\$126	\$125	\$123	\$121	\$119	\$117	\$115	\$113	\$111	\$109	\$1,438
Net Income	(\$2,328)	(\$1,559)	(\$2,657)	(\$1,965)	(\$3,522)	(\$1,706)	(\$1,130)	(\$336)	\$820	\$2,299	\$3,074	\$3,003	(\$6,005)
Operating Margin	-58.3%	-31.6%	-47.2%	-28.1%	-81.5%	-23.3%	-13.5%	-2.5%	9.2%	20.0%	24.4%	23.8%	-4.8%
Profit Margin	-61.7%	-34.4%	-49.6%	-30.0%	-84.4%	-25.1%	-15.0%	-3.9%	8.1%	19.0%	23.6%	23.0%	-6.3%

Pro Forma Income Statement Years 1, 2, & 3

	Year 1	Year 2	Year 3
Sales Revenue	\$95,699	\$162,236	\$194,333
Cost of Goods Sold	\$22,039	\$41,292	\$49,551
Gross Profit	\$73,660	\$121,392	\$144,782
Gross Profit % of revenue	77.0%	74.8%	74.5%
SGA Expenses			
Labor	\$42,999	\$50,310	\$61,925
Depreciation	\$1,600	\$1,600	\$1,600
Advertising	\$2,600	\$2,300	\$2,300
Legal and Professional Fees	\$355	\$355	\$355
Insurance	\$3,123	\$3,480	\$4,046
Store Expenses	\$1,020	\$1,020	\$1,020
Lease	\$19,800	\$19,800	\$19,800
Utilities	\$6,250	\$6,475	\$6,475
Miscellaneous	\$480	\$480	\$480
Total G & A Expenses	\$78,227	\$85,820	\$98,001
Earnings from Operations	(\$4,567)	\$35,572	\$46,781
Interest Expenses	\$1,438	\$1,155	\$854
Net Income	(\$6,005)	\$34,417	\$45,927
Operating Margin	-4.8%	21.9%	24.1%
Profit Margin	-6.3%	21.2%	23.6%



3.8 Pro Formal Cash Flow Statements

	Pro Forma Cash Flow Statement - Year 1												
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Year 1 Total
Operating Activities													
Net Income	(\$2,327.81)	(\$1,558.89)	(\$2,657.32)	(\$1,964.60)	(\$3,522.03)	(\$1,705.61)	(\$1,129.81)	(\$335.50)	\$820.14	\$2,299.34	\$3,074.16	\$3,003.01	(\$6,004.92)
Depreciation	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$133.33	\$1,600.00
Changes in Unearned Income	\$1,006.30	(\$99.06)	\$1,453.41	(\$229.74)	\$1,806.47	\$107.09	\$2,336.12	\$462.60	\$2,884.54	\$932.46	\$2,905.38	\$795.91	\$14,361.49
Changes in Payable	\$0.00	\$654.37	\$395.18	\$86.40	\$449.58	(\$567.31)	\$514.36	\$135.59	\$367.78	\$278.19	\$503.00	\$268.84	\$3,086.00
Net Cash from Op. Activities	(\$1,188.18)	(\$870.25)	(\$675.39)	(\$1,974.61)	(\$1,132.65)	(\$2,032.49)	\$1,854.01	\$396.03	\$4,205.79	\$3,643.33	\$6,615.88	\$4,201.09	\$13,042.57
Financing Activities													
Owner Investment	\$7,500.00												\$7,500.00
Outside Investment	\$30,000.00												\$30,000.00
Long Term Debt	\$25,000.00												\$25,000.00
Monthly Loan Payment	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$5,834.76)
Net Cash from Fin. Activities	\$62,013.77	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	(\$486.23)	\$56,665.24
Investing													
Capital Investments	(\$15,650.00)												(\$15,650.00)
Net Cash from Inv. Activities	(\$15,650.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15,650.00)
Increase/(Decrease) in Cash	\$45,175.59	(\$1,356.48)	(\$1,161.62)	(\$2,460.84)	(\$1,618.88)	(\$2,518.72)	\$1,367.78	(\$90.20)	\$3,719.56	\$3,157.10	\$6,129.65	\$3,714.86	\$54,057.81
Cash at Beginning of Period	\$0.00	\$45,175.59	\$43,819.11	\$42,657.49	\$40,196.65	\$38,577.78	\$36,059.06	\$37,426.84	\$37,336.64	\$41,056.20	\$44,213.30	\$50,342.95	\$0.00
Cash at End of Period	\$45,175.59	\$43,819.11	\$42,657.49	\$40,196.65	\$38,577.78	\$36,059.06	\$37,426.84	\$37,336.64	\$41,056.20	\$44,213.30	\$50,342.95	\$54,057.81	\$54,057.81

Pro Forma Cash Flow Statements - Years 1, 2, & 3

	Year 1	Year 2	Year 3
<i>Operating Activities</i>			
Net Income	(\$6,005)	\$34,417	\$45,927
Depreciation	\$1,600	\$1,600	\$1,600
Changes in Unearned Income	\$14,361	\$3,646	\$2,457
Changes in Payable	\$3,086	\$1,503	\$929
Net Cash from Op. Activities	\$13,043	\$41,166	\$50,913
<i>Financing Activities</i>			
Owner Investment	\$7,500	\$0	\$0
Outside Investment	\$30,000	\$0	\$0
Long Term Debt	\$25,000	\$0	\$0
Current Portion of LTD	(\$5,835)	(\$5,835)	(\$5,835)
Net Cash from Fin. Activities	\$56,665	(\$5,835)	(\$5,835)
<i>Investing</i>			
Capital Investments	(\$15,650)	(\$15,650)	(\$15,650)
Net Cash from Inv. Activities	(\$15,650)	(\$15,650)	(\$15,650)
Increase/(Decrease) in Cash	\$54,058	\$19,681	\$29,428
Cash at Beginning of Period	\$0	\$54,058	\$73,739
Cash at End of Period	\$54,058	\$73,739	\$103,167

3.9 Loan Amortization Table

Payment Date	Principal Payment	Interest Payment	Total Payment	Ending Balance
				29176.80
September (Y1)	356.02	130.21	486.23	28690.57
October	357.88	128.35	486.23	28204.34
November	359.74	126.49	486.23	27718.11
December	361.61	124.62	486.23	27231.88
January	363.50	122.73	486.23	26745.65
February	365.39	120.84	486.23	26259.42
March	367.29	118.94	486.23	25773.19
April	369.21	117.02	486.23	25286.96
May	371.13	115.10	486.23	24800.73
June	373.06	113.17	486.23	24314.50
July	375.01	111.22	486.23	23828.27
August	376.96	109.27	486.23	23342.04
September (Y2)	378.92	107.31	486.23	22855.81
October	380.90	105.33	486.23	22369.58
November	382.88	103.35	486.23	21883.35
December	384.87	101.36	486.23	21397.12
January	386.88	99.35	486.23	20910.89
February	388.89	97.34	486.23	20424.66
March	390.92	95.31	486.23	19938.43
April	392.95	93.28	486.23	19452.20
May	395.00	91.23	486.23	18965.97
June	397.06	89.17	486.23	18479.74
July	399.13	87.10	486.23	17993.51
August	401.21	85.02	486.23	17507.28

3.10 Gross Margin Calculation

	Cakes	Cupcakes	Cookies	Pies	Beverages	Weddings	Classes
Cost	\$7.50	\$0.63	\$0.42	\$5.00	\$0.25	\$90.00	\$2.00
Markup	400%	400%	300%	400%	500%	500%	2250%
Tentative Price	\$30.00	\$2.50	\$1.25	\$20.00	\$1.25	\$450.00	\$45.00

4. Appendix

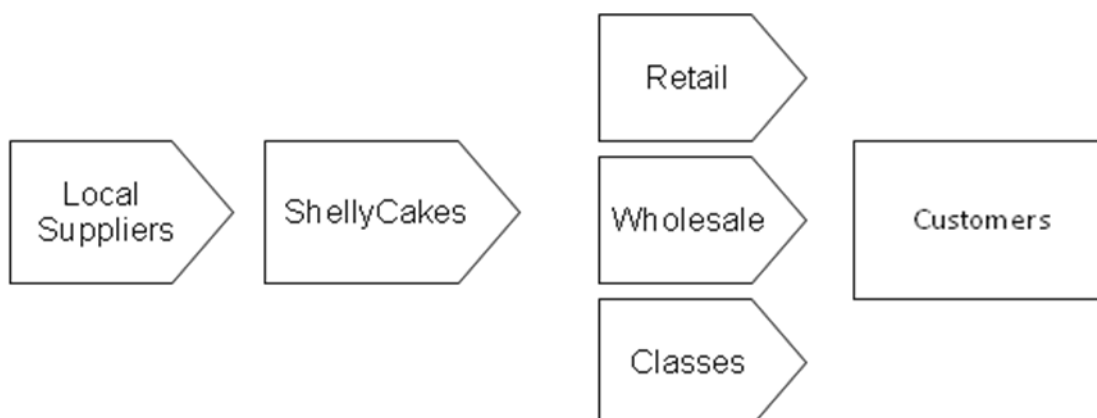


*"I wanted to thank you for being an **AWESOME** instructor and you have made me want to pursue a bigger interest in cake decorating."
Leslie, Student*

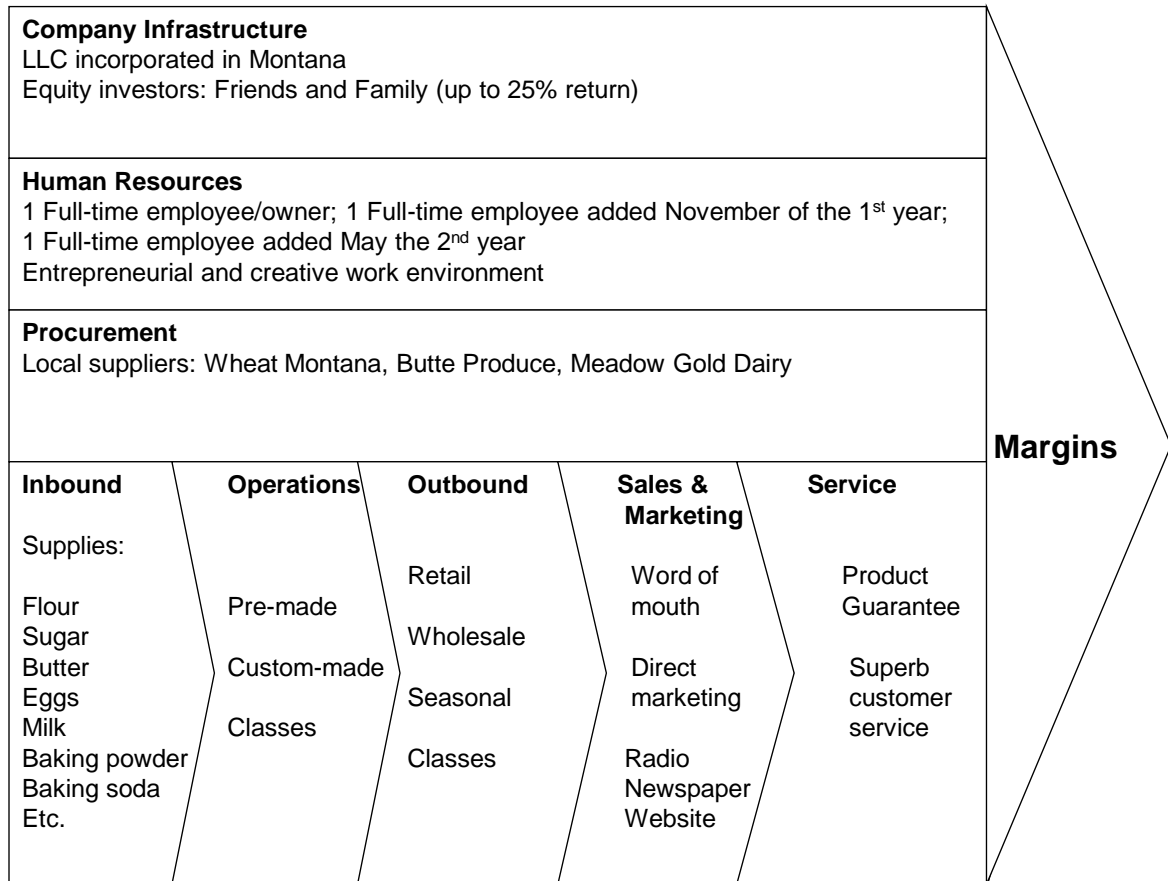
4.1 Generic Strategy

		Competitive Strength	
		Low Cost	Uniqueness
Competitive Scope	Broad	<i>Wal-Mart</i> <i>Safeway</i> <i>Albertsons</i>	<i>Perkins</i> <i>Great Harvest</i> <i>Uptown Cafe</i>
	Narrow	<i>TownTalk Bakery</i>	<i>ShellyCakes</i>

4.2 Value System



4.3 Value Chain Analysis



4.4 Product Descriptions

Cakes and Cupcakes	Cookies and Treats	Pies:
Vanilla	Chocolate Chip	Apple
Chocolate	Sugar	Pumpkin
Buttermilk Pound	Oatmeal Raisin	Berry
Carrot	Coconut	Rhubarb
Poppy Seed	Peanut Butter Oatmeal Choco Chip	Pecan
Banana	Monster	Fruit
Red Velvet	Brownies	Lemon Meringue
German Chocolate	Lemon Bars	Banana Coconut
Coconut	Apple Oatmeal Bars	
Hummingbird	Grasshopper Bars	
Chocolate Chip	Rugelach	
Browned Butter	Toffee Bars	

4.5 Class Descriptions

Wilton Method of Cake Decorating

Discover Cake Decorating

Thousands of people just like you have experienced the excitement of decorating their first cakes in a Wilton Method Class. With your Wilton Method Instructor as your guide, you will see how easy and rewarding it is to decorate wonderful cakes and other desserts that will delight your family and friends. Course 1 is the perfect place to start. Your Instructor will show you the right way to decorate, step by step. You will share the fun with other students, who encourage you along the way. As you learn each new decorating skill, you will gain a sense of pride in your accomplishments. Plus, you will be able to share your delicious results with family and friends!

Flowers and Borders

Build on the skills you learned in Course 1! Your helpful Wilton Instructor will introduce you to many dramatic techniques to make your cakes unforgettable. Master elegant new borders featuring rosettes, reverse shells and rope designs. Give your cakes incredible dimension with the addition of bold color flow decorations. Create lovely new flowers like rosebuds, daisies, daffodils, mums and more. Use these flowers in a grand finale — an impressive flower basket cake using the interwoven basketweave technique.

Fondant and Tiered Cakes

Reach a new level of decorating sophistication with the beautiful flowers and techniques in Course 3. Begin with intricate accents such as embroidery and lace, stringwork, garland and ruffle borders. Discover the beauty of decorating with rolled fondant — for covering cakes with an immaculate smooth surface and shaping fun figures and elegant flowers. Add several new icing flowers to your repertoire, including lovely holiday blooms like poinsettias and Easter lilies. Complete your course by assembling and decorating a towering tiered cake with beautiful stringwork, flowers and borders.

Fondant and Gum Paste

Discover a great new way to add excitement to your cakes using these easy-to-shape icings. In this new course, you'll experience a variety of fondant techniques and the beauty of decorating with gum paste. You will create flowers and accents with beautiful detail. You will see how to use tools to cut and shape amazing textured ribbons and borders. Each new technique will prepare you to decorate a Grand Finale cake you will be proud to take home.

4.6 Founder's Resume

MICHELLE SCHUTTEN

1207 Coloma Drive Missoula, Montana 59801 406.214.9202 michelleschutten@gmail.com

BUSINESS EDUCATION

National Business Education Association / Beta Alpha Psi / UM Leadership Development Program

FINANCE AND EDUCATION STUDENT with demonstrated leadership strengths and proven ability to manage multiple responsibilities in a fast-paced environment meeting critical deadlines. Worked throughout college to partially self-finance education. Well organized with attention to detail, ability to work independently and collaboratively in a team setting. Track record reflects leadership qualities, initiative-taking, and a tenacious, results-driven approach.

M.Ed., Curriculum and Instruction, May 2011, *Business and Information Technology Education License*

B.S., Finance, May 2009, *Entrepreneurship Emphasis*

The University of Montana

TEACHING EXPERIENCE

BUSINESS EDUCATION TEACHERS' ASSISTANCE – Fall 2009

Missoula County Public Schools – Missoula, Montana

- Observed Washington Middle School and Sentinel High School business and computer classes.
- Instructed Pre-Accounting, Accounting, Computer Application, and Word Processing classes grades 6-12.
- Developed lesson plans and successfully lead students in business subject matters.

CAKE DECORATING INSTRUCTOR – January 2009 – Present

JoAnn's Superstore – Missoula, Montana

- Instructed a diverse variety of students in various cake decorating techniques ages 5-95.
 - Advertised and marketed classes to the public.
 - Showed enthusiasm and excitement while encouraging students in their cake decorating.
-

PROFESSIONAL BUSINESS EXPERIENCE

HOTEL DIVISION / PAYROLL & ACCOUNTS PAYABLE DIVISION ASSISTANT– Summer 2007

Town Pump – Butte, Montana

- Assisted payroll and AP departments; documented employee vacation hours into computerized system.
- Created postcard advertisements in Publisher and sent to government agencies.
- Assisted in sales calls to local businesses and developed mailing lists in Excel for marketing purposes.

COUNTER MANAGER / BAKER / INTERN - Summer 2008 - Spring 2009

Bernice's Bakery – Missoula, Montana

- Managed front counter and delivered exceptional customer service within a three person team in a small, fast-paced Missoula landmark establishment
 - Developed skills to bake large quantities quickly and efficiently and to decorate quality, specialty cakes
 - Created year-end inventory system for advertising merchandise
 - Offered full time position upon completion of internship
-

COMMUNITY INVOLVEMENT

GIRL SCOUTS – Montana and Idaho

Gold Award Alliance Committee Member

Camp Counselor/Lifeguard- Girl Scouts of Big Sky and Girl Scouts of Inland Empire

Cake Decorating Instructor

THE UNIVERSITY OF MONTANA – Missoula, Montana

Finance and Accounting Tutor; Math Department Computer Lab Monitor

MONTANA SCHOOLS – various Montana Cities

Business Professionals of America Regional Judge and Coach; Speech and Debate Judge

4.7 Bibliography

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Wilton Industries, Retrieved January 4, 2010 from <http://www.wilton.com/classes/>



*"Thanks for taking the time to look over my business plan.
I hope you enjoyed it!"
Michelle ~ ShellyCakes, Founder*