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Table of Contents

Table of Contents-----Page #2

A. The Venture-----Page #3

B. The Product and Service--Page #3

C. Marketing and Prices-----Page #4

D. Workers-----Page #6

E. Day to Day-----Page #7

F. Money Plans-----Page #9

 Income Sheet-----Page #9

G. Thoughts-----Page #10

Frosted Crown Cupcakes

A. The Venture

For our 2018 YouthBiz entry we chose to do a cupcake business called *Frosted Crown Cupcakes*. We chose this name because we put a little crown on each of our cupcakes if they are to your satisfaction and because when people read it they will immediately know what we are selling. We give people a very large selection of customizable cupcakes. Our business is different than any other cupcake store because we offer lots of selections for customers to pick exactly what they want. Our business offers people to go on our website and pick out their favourite choice of many different cupcake flavours, icing flavours, and theme for their cupcakes. We can design any type of fondant pattern, make as many cupcakes as you wish and we can deliver it straight to your house. Our delicious cupcakes are made right in the store so people can watch their cupcakes being made. To start off, we will have one store in each prairie province's capital. Specifically, we will have stores in Winnipeg, Manitoba, Regina, Saskatchewan, and Edmonton, Alberta. As we become more successful we can extend our business to more of Canada and hopefully worldwide. We are planning to rent buildings for under \$1,000 a month and buy the baking equipment and supplies necessary.

B. The Product and Service

Frosted Crown Cupcakes offers an easy way to give people their choice of purchasing customized cupcakes. One of the special features of our business is that you can buy cupcakes in the store or order them online and simply pick it up at a store near you or have it delivered to your door. If it is not up to your standards, just bring it back to one of our stores and we will work on resolving the issue. *Frosted Crown Cupcakes* offers service for any age, so your four year old child can come in with you and order their choice of cupcake. Our website is extremely easy to use, making it simple for young and old to order customized cupcakes. *Frosted Crown*

Frosted Crown Cupcakes

Cupcakes is not a new invention but it is a new and improved version of any other online cupcake store.

C. Marketing and Prices

Anyone can buy from our business. We offer a selection for any age. Hopefully we can get a minimum of 30 customers a day in the first two weeks growing to 45 customers per day on a go forward. The price of a customized cupcake depends on whether it is a Simple Cupcake or a Decorated Cupcake and the amount ordered. The prices are listed in the table on the following page. Our business will have very reasonable prices. In our stores, the prices will be clearly indicated on our menu. The website will give you the right price right when you choose your cupcake and put it in your cart. You will also have a choice of either delivery or pick up whether you order in store or online. Copy and paste the link to view our website or just click on it: <https://frostedcrowncupcakes.godaddysites.com>

We will also have great deals for customers ordering medium and large quantities of cupcakes. This would be perfect for weddings, anniversaries, birthdays and everything that includes cupcakes. Our Medium Deal is if you buy 12 cupcakes you get 2 for free; if you buy 24 cupcakes you get 4 for free. Each dozen purchased receives 2 free cupcakes. For our larger orders, it would be more economical to use our Large Deal, which is if you buy 30 cupcakes you get 6 for free to make three dozen. If you buy 60 cupcakes you receive 12 for free to make six dozen. Each 30 cupcakes purchased receives 6 free cupcakes. If there is not a kind you like we can try to make that for you too.

If the customer wants the cupcakes delivered, there will be two fees. To deliver 30 cupcakes or fewer, the delivery charge would be \$0.50 per cupcake. To deliver more than 30 cupcakes, the delivery charge would be \$0.25 per cupcake. To get these prices we compared our prices with other similar businesses. Delivery will be only within the city *Frosted Crown*

Frosted Crown Cupcakes

Cupcakes is located whether the order is placed in the store or online. *Frosted Crown Cupcakes* will place ads on social media, billboards, baking magazines, radio ads, and on the side of trucks.

Product	What does this include?	Price for single cupcake	Price for dozen cupcakes
Simple Cupcake	Choice of cupcake flavour with choice of icing flavour	\$2.25	\$27.00
Decorated Cupcake	Choice of cupcake flavour and choice of cupcake icing with theme decorations	\$3.50	\$42.00

Cupcake Flavour	Theme	Icing Flavour
Mint	Pirate	Vanilla
Mocha/Latte/Coffee	Princess	Chocolate
Pumpkin spice	Disney	Strawberry
Vanilla	Birthday	Raspberry
Chocolate	Wedding	Orange
Lemon	Anniversary	Peanut Butter
Espresso	Sports	Marshmallow
Fun Funfetti	Monster	Chocolate Fudge
Oreo	Halloween	Caramel
Red Velvet	St. Patrick's Day	Mocha
Pumpkin	Christmas	Latte
Carrot	Beach	Coffee
Raspberry	Summer	Cream Cheese
Mango	Winter	Pumpkin Spice
Nutella	Fall	Mint
Cinnamon Toast	Spring	Blackberry

Frosted Crown Cupcakes

Pink Lemonade	New Baby	White Chocolate
Strawberry	Graduation	Almond
Bubble gum	Easter	Lime
Chocolate Bar	Retirement	Lemon
Salted caramel	New Job	Mint chocolate
Banana pudding	Alien/Outer Space	Cinnamon
Almond	Valentine's Day	Licorice
Black forest	Remembrance Day	Fun Funfetti
Apple spice	Customer Choice	Pink Lemonade

D. Workers

Both Ella, Mila and Caoimhe have all worked equally hard on our business so we will all own the same amount of our business, 33.3%. We will hire 5 bakers in the kitchen, and 2 for customer service in each store. We will pay our customer service employees the minimum wage for their province, and our bakers \$18 per hour. As the business grows we will be increasing the hourly wage of our employees as well as the owners' salaries. All of our bakers will need to have baking and decoration training/experience. Our customer service employees will be required to have customer service training and a driver's license because they will also do the deliveries. We will offer in-store training to our customer service workers.

Frosted Crown Cupcakes

E. Day to Day

We will have three walk in stores to start as well as an online store. Orders can be placed online 24 hours a day with delivery during business hours. Our in-store hours of operation are in the chart below. We will be open all months of the year but closed on Sundays to prepare for the week ahead.

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7:00 - 5:00	7:00 - 5:00	8:30 - 6:00	7:00 - 5:00	6:30 - 5:00	9:00 - 9:00	Closed

We will be buying most of our tools and supplies from Wilton Brands and KitchenAid. Most of our supplies are listed in the table below. The different ways our business can sell to our customers is through our local stores and our website.

Decorations	Cupcake Ingredients	Icing Ingredients	Essentials
crowns	flour	vanilla	hand mixers
food colouring	sugar, brown sugar	chocolate	electric mixers
chocolate	baking powder	lemons, oranges, limes	spatulas
different colour fondant	salt	instant coffee	boxes for cupcakes
icing	eggs, oil	cinnamon	measuring cups
candy	milk, yeast	Oreos	cupcake tins
pastries	butter	food colouring	cupcake cups
chocolate pen	baking soda	pumpkin	cooking spray
ornaments	pumpkin spice	carrot	parchment paper
	Nutella	raspberries, blackberries	whisks
	vanilla	marshmallows	bowls

Frosted Crown Cupcakes

	Oreos	licorice	spoons
	mint and almond extract	mint and almond extract	scissors
	instant coffee	pink lemonade	pots/pans
	chocolate	peanut butter	cash registers
	lemon	caramel	decor
	red food colouring	cream cheese	pipng bags
	pumpkin	strawberries	molds
	carrots		pipng bag tips
	raspberries, mangos, strawberries, bananas, cherries, apples		plastic bags
	cinnamon		pastry brush
	pink lemonade		spoons
	caramel		whisks
	bubble gum		cupcake stand
			frosting knives
			ovens, microwaves
Estimated Costs for Each Column Above per Month			
\$150.00/month	\$500.00/month	\$250.00/month	\$5000.00 (one time)
\$150.00x3 stores= \$450.00	\$500.00x3 stores= \$1500.00	\$250.00x3 stores= \$750.00	\$5000.00x3 stores= \$15,000.00
Estimated Annual Cost per Year			
\$450.00x12= \$5400.00	\$1500.00x12= \$18,000.00	\$750.00x12= \$9000.00	\$15,000.00
Estimated Total Cost for Startup of 3 Stores:		\$47,400.00	

Frosted Crown Cupcakes

F. Money Plans

The cost to start our business would be \$2,000,000.00 and we are hoping to get a loan from the bank for this amount. We have shown what we need to purchase as well as the cost to purchase the items to make the product in the table above and the amount is around \$47,400.00. Our general expenses costs are \$1,746,513.10. This includes costs for office equipment, insurance, utilities, salaries, bookkeeping, etc. Our total sales goal for the year is to make \$1,943,730.00. Our expenses are \$1,778,913.10 for the year. We are hoping we will not have to spend all of our money from the loan as we are just starting up and would like to have emergency money in case. In the first year we expect to make an income of \$164,816.90.

Income Sheet: Frosted Crown Cupcakes

Sales	Total Amount for the Year
#1. Simple Cupcakes	<p>\$27.00/dozen 30 customers/day purchase 1 dozen 30 dozen cupcakes sold per day $\\$27.00 \times 30 = \\$810.00/\text{day}$</p> <p>313 days/year store is open $\\$810.00 \times 313 = \\$253,530.00/\text{year}$</p> <p>$\\$253,530 \times 3 \text{ stores} = \\$760,590.00/\text{year}$</p>
#2. Decorated Cupcakes	<p>\$42.00/dozen 30 customers/day purchase 1 dozen 30 dozen cupcakes sold per day $\\$42.00 \times 30 = \\$1,260.00/\text{day}$</p> <p>313 days/year store is open $\\$1,260.00 \times 313 = \\$394,380.00/\text{year}$</p> <p>$\\$394,380 \times 3 \text{ stores} = \\$1,183,140.00/\text{year}$</p>
Total Sales (1)	$\\$1,183,140.00 + \\$760,590.00 = \\$1,943,730.00$
Cost of Sales	3 stores

Frosted Crown Cupcakes

<i>See Table in E. Day to Day for complete Cost of Sales breakdown</i>	
Estimated Annual Cost per Year	\$5400.00+\$18,000+\$9000.00=\$32,400.00
Total Cost of Sales (2)	\$32,400.00
General Expenses	3 stores
Marketing and Ads	\$11,700.00/year
Insurance	\$2,500.00
Loan Payment	\$12,886.03/month
Bookkeeping	\$9000.00
Mortgage or Rent	\$36,000.00
Office & Storefront Supplies	\$15,000.00
Repairs	\$1000.00
Tools and Equipment	\$15,000.00
Phone and Utilities	\$13,000.00
Mileage Paid to Delivery Employees (customer service employees)	\$2000.00
Employee wages	\$1,568,427.10
Owners' Salary	\$60,000.00
Total General Expenses (3)	\$1,746,513.10
Income or Loss 1-(2+3)	\$165,816.90

G. Thoughts

We picked this idea because we all like to bake and we wanted to show our knowledge and strength of baking through this business. I think we would consider starting our own business in the future because we worked well together, cooperated and had great ideas!